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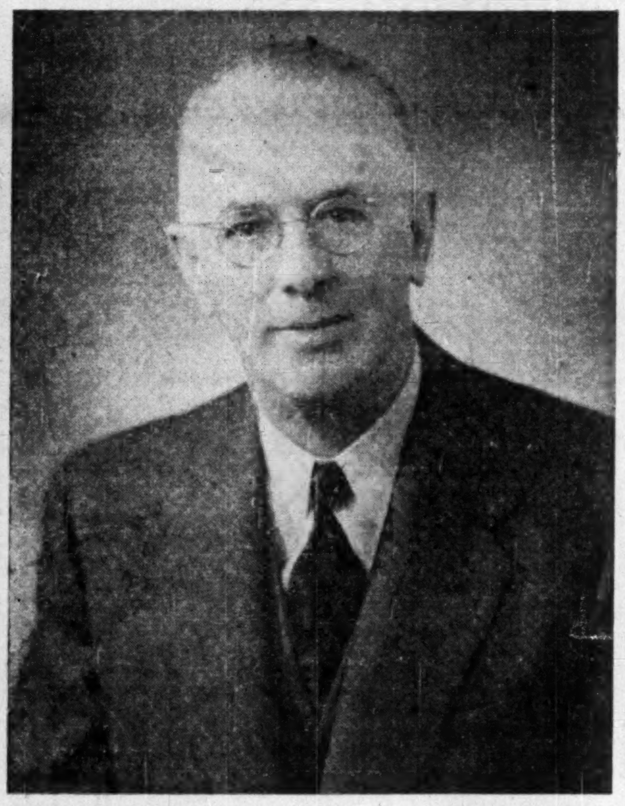
Heads Life Officers



Elected president of the Canadian Life Insurance Officers Association at the annual meeting at Montebello, Que., this week, Gordon C. Cumming of Winnipeg will guide the deliberations of this national association of key executives of 61 member companies with $14.5 billions of life insurance in force. He is general manager of the Monarch Life Assurance Co.

THE NATION'S BUSINESS

Some Iniquities Out By New Tax Rules

The actual terms of the revised tax legislation have finally made their appearance. As usual, the tax experts have a good deal of close work to do before they will have fully explored the bill. As usual there are some alarums and excursions as to probable effects.

But on the basis of its study to date, that part of the business community informed on tax measures is, in general, ready to laud the work done. Certainly they feel the job was done conscientiously.

There are several points on which confusion still reigns at this writing.

Some sections as they now stand, pretty obviously go much farther than is intended. Some other sections in redrafting have lost clarity. One clause which used to have about 40 words now has 10, and for the tax men brevity is not always a virtue. See articles on pages 2 and 15.

Some brokers and mine promoters believe their position is significantly changed, and memoranda about "a capital gains tax" are circulating. How great the change, whether it was deliberate or inadvertent, is a matter still to be determined.

On the side of applause, there is general enthusiasm about the repeal of the notorious section 9 (6) on undistributed profits, which had the seeds of much iniquity in it.

There is applause for the realism shown in not taxing profits, held up in foreign countries by currency regulations, until those profits get to Canada in usable form.

There is rejoicing among accountants that, after all these years, tax officials have finally got around to defining what undistributed income is.

Trust officials are happy because an allowance for depletion will be given to all beneficiaries of trusts and estates.

While the bill is proceeding through the House there will be opportunity for making desirable clarifications and changes.

Nobody likes any taxes, but, in general, this new legislation definitely marks an important forward step to clarity and equity.

* * *

Good Model Picked by Western U.

One of the brightest things we've seen a university do in a long time was last week when the School of Business Administration at Western Ontario organized a visit of some 20 Canadian businessmen to Harvard.

There, the Canadians saw how North America's outstanding educational institution for tomorrow's executives operates.

But, of course, Western's business school has been doing very bright things for a long time. It believes the businessman needs education along traditional university lines, but also, that he needs specialized training just as much as does the doctor or the engineer.

Taking the lead from Harvard, Western uses the Case Method in which students get their training in techniques, and above all in how to think, by working out actual management problems as they can and do confront management in the conduct of a business: problems in finance, marketing, organization, labor relations, production, etc.

Equally important in giving this training vitality and practicality is the close contact which the Business School instructors maintain with the business community.

The rule of thumb, "what grandpa did" executive has a hard time in a slide rule age.

The Western Ontario Business School has, with its limited resources already established a proud record with its graduates and in its service to the whole community.

Its enterprise in demonstrating at Harvard what it wants still more effectively to emulate here is most commendable.

* * *

Must Repeal Human Nature First

A basic difference in attitude toward his job lies at the root of the American construction worker's superiority over his British counterpart. So concludes a team of British building experts after a six-week study of construction methods in the U. S. They went back to London early this month to report just why output per man-hour is 50% higher in free enterprise America than in Socialist Britain.

"The American hasn't acquired the habit of doing less than he is capable of doing," the report says. "The whole American way of life is a challenge to the individual to give his best.

"Having secured employment in a highly competitive industry that offers a high standard of living the worker is prepared to make a real effort to retain it . . ."

Some new incentives will have to be found to make the British worker give his best — possibly a system of payments by results, the report states.

Also commented on was the U. S. worker's advantage in better job organization, better materials with which to work and better food.

Getting worker production up is Britain's only hope for economic health and anything like the standard of living she now has.

The Canadian economist, Gilbert Jackson, calculates that the increase in Britain's industrial production since prewar is only about 18%. The corresponding figure for the United States is 80% and for Canada 88½%.

This report on the building trades is pretty grim reading.

It is a sharp warning to utopians; a sad commentary on the theory that, with Socialism and total security schemes, the laws of human nature can be repealed.

Newsprint Hunger Grows Acute Again

Phenomenal U. S. Demand, Some Return of Nondollar Buying, Urgent Pleas from Argentine Cause Tightening

By PAUL DEACON

MONTREAL (Staff) — Phenomenal U. S. demand plus some return of non-dollar buying has put newsprint right back in the tight supply category.

Just how tight things are is indicated by reports this week of the trouble Argentina is having trying to get 10,000 metric tons of Canadian newsprint to stave off a threatened shortage. Unless supplies for other customers can be diverted, it seems doubtful whether the needed paper can be shipped in time to avert a crisis.

Main reason for this state of affairs is the insistent U. S. demand. U. S. consumption (over 80% comes from Canada) in the first four months this year was 1,921,000 tons, 7.4% over last year's record. And there seem to be no signs of a letup.

Because of this, Canadian production which was cut back 2%-3% below capacity late last fall, is once again running at capacity, with April production of 422,774 short tons reaching capacity (100.1%) for the first time since November.

U. K. and Australia in Market?

On top of this, there are indications that both the United Kingdom and Australia may be back in the market for more Canadian newsprint shortly. Their hopes of getting sufficient non-dollar supplies to replace their former tonnage here, have been pretty well dashed by the inability of their Scandinavian and other European suppliers to come through with the required tonnages. U. K. publishers, who had been pressing for an eight-page paper, have had to cut the size instead from seven to six pages.

Argentina's predicament has led to discussions at top governmental levels, it's understood. The Peron Government had been loath to release dollars for newsprint but finally on May 4 announced that funds were being provided to cover the purchase here of 10,000 metric tons (11,000 short tons) at an estimated $115 a ton. Now pressure is being brought to bear by Argentina on the Canadian Government to see what it can do to have Canadian mills supply the tonnage

Borrow from the U. S.

Although it's understood the Canadian suppliers would like to help, observers say it's difficult to see just what can be done. According to a New York report, the greatest need is for newsprint before July 1 when European shipments are due to arrive. It takes about 25 days for newsprint to reach the Argentine.

Since Canadian mills are booked to capacity, there's little or no chance of finding the necessary newsprint unless U. S. buyers step aside and allow some of their contracted supplies go to the South American country. What the chances are, in view of the tremendous demand south of the border, is anyone's guess at this moment, observers say. It's reported that about 680 tons has been "borrowed" from U. S. publishers and will be shipped shortly.

From a purely legal standpoint, the Argentine position is said not too strong. The Peron Government has given itself the power to take over all imported newsprint supplies. It now wants to obtain the needed tonnage under

(Continued on page 3, col. 1)

Maclean-Hunter Profits Show Small Increase

Record-breaking revenues during 1949, record expenditures and a slightly increased but still small profit were reported by President Horace T. Hunter at the 62nd annual meeting of shareholders of Maclean-Hunter Publishing Company Ltd. last week.

Total gross revenue on all publications and departments amounted to $10,211,900, an increase of $461,388 over 1948. Net profit, after company contribution of $98,500 to employee's pension fund, was $100,587, compared with $71,522 in 1948.

The company's contributions to staff pension, life and sickness insurance and hospitalization plans amounted to more than double the total dividends paid to shareholders, Mr. Hunter reported.

Out of each dollar of income from Canadian publications, the company paid out the following:

	cents
Wages, commissions, etc	62.87
Materials, paper, ink, engravings, etc.	19.78
Services	1.89
Repairs and maintenance	3.63
Postage	3.49
Taxes	.83
Depreciation	4.84
Pensions and benefits	1.51
Profit	1.16
	100.00

"A 10% increase in wages and materials would mean an additional cost of us of $800,000 per year," Mr. Hunter pointed out.

"You will realize the magnitude of the problem we have had to face when I tell you that the wage scale in our production department during the past five years has increased 81.82%, and that the cost of paper during the same period has increased 70.4%.

"There are really only two ways we can meet these increased expenses:

"1—By increasing our subscription and advertising rates;

"2—By some reduction in costs due to improved methods of operation.

"When increases in wages and materials are made, they become effective immediately, or in the case of wages, the increased scale may be retroactive to a period of weeks or even months.

"Advertising contracts, however, may extend over a full year, and subscriptions are paid in advance for one, two or three years. There is, therefore, a considerable lag before justifiable and necessary increased rates become effective.

"We must also be very careful that we do not increase prices to a point that would bring in decreased volume and decreased revenues," Mr. Hunter warned.

He was explaining the prob-

(Continued on page 3, col. 2)

The How, Why of Red Rampage

Will it Ever Be Allowed to Strike Again?

By KENNETH R. WILSON

OTTAWA (Staff) — Out of the great Red River disaster of 1950, one constructive thing is assured.

It is the certainty that man will no longer procrastinate, and that permanent dykes and other works will now be constructed to ease the periodic catastrophe that seems inevitably linked with this fertile valley. (See map on p. 17.)

Over a million souls now live in this rich lush territory. The river basin itself covers 33 million acres of which all but seven million acres are in American territory. As well, there are the connected Souris and Assiniboine basins which together, with the Red, comprise in all another 40 million acres, most of it in Canadian territory.

There have been at least seven major flood catastrophes in the Red valley in the past 125 years. The first and deepest (in which Canadian life and property was involved) was in 1826. That year the water rose almost 37 feet above datum at Winnipeg. This suggests water three feet deep at what is now the corner of Main and Portage. It compares with a current peak of something over 30 feet in the present disaster.

But the 1950 crisis is far more serious, because it involves a city of 350,000 people. The early Red River catastrophes affected largely rural communities.

The next great flood was 1852 when a height of about three feet at Portage and Main is indicated, according to W. D. Hurst, city engineer of Winnipeg. Nine years later, the water would have been 1½ feet deep at the same four corners—the last time when water has covered the entire area of the city. In 1882 there was another bad flood and again in 1904 and 1916. In these two later years, the river rose about 24 or 25 feet. In 1948, the same reckoning brought the river to 23.4 feet at Winnipeg.

Similar records on the American side suggest a recurring pattern of catastrophic flood conditions every 18 or 20 years. The conditions giving rise to disastrous flood are usually similar.

They are described by Engineer Hurst thus:

"A cold winter starting early with little snow at first so that the ice on rivers and lakes will be abnormally thick, followed by a heavy snowfall throughout the country with continued cold weather. Then a late, cold, spring so that little snow escapes into the rivers; then in May, and usually not before, a sudden change of the wind to the south so that the whole mass of snow melts at once, precipating its vast volume of water into every stream.

"If such a combination of events comes after a few wet years when streams and sloughs are filled with water and the ground itself is saturated, then a real catastrophe is imminent."

Behind this prescription of what makes a Red River flood, there are two vital factors:

1. The Red River is basically the flat belly of a great glacial lake "Lake Agassiz" which originally was 700 miles long and 250 miles wide. This lake came into being because the glacier itself, as it reached to the north blocked the outlet. Thus the source of the Red River at Lake Traverse in South Dakota is only 980 feet above sea level. Yet the Red's outlet where it empties into Lake Winnipeg some 350 miles away, is only 225 feet lower — about 755 feet above sea level.

2. The Red River is one of the few rivers in the world which start in a warm climate and flows north into cold territory.

Says Mr. Hurst: "The unique feature of the Red River is that

(Continued on page 7)

PRICES

Scotch whisky would come down fast if South Africans or others with sterling bought the liquor at low prices and resold in North America at special high prices charged this market by the British, claimed A. E. Bryan, trade official at Canada House, in an official report. British left Scotch price unchanged in this market, though they reduced market after devaluation, though they reduced prices varying amounts in other markets, he said.

Rubber: increase of 5% in tire prices in the U. S. within one month was predicted by president of U. S. Rubber Co. With up pressure on costs from increasing rubber prices, rise is possible here, though Canadian firms see no immediate rise in tires. Rubber Association of Canada meeting this week heard report indicating complex world raw rubber price situation, with possible further increases.

Steel scrap price, supported by high industrial activity, will at least remain firm, it's predicted. Imports are arriving to help fill demand. First steel scrap shipment from Germany recently arrived in Montreal for Toronto and Hamilton. About 15 shipments of scrap are expected this navigation season.

Lead continued its upward rise. Price at Montreal this Tuesday was 13 1/8c lb., against 12 5/8c lb. week earlier. Zinc, at 13 1/8c, was same figure as week earlier. White lead price rose in Canada as result of primary lead ad-

(Continued on page 3, col. 3)

March Imports Of U.K. Autos Sets Record

OTTAWA (Staff)—Imports of British cars hit a new record in March at 7,325 units. In addition, imports of British trucks totaled 290.

These March figures raise to 16,784 the number British cars imported into Canada in the first quarter of 1950. First quarter truck imports were 1,252 units.

This brings to $15 millions value of U. K. cars and truck imports in the first quarter. Of this, $13.9 millions was for cars and $1.1 millions for trucks.

Bulk of the car imports was in the small car class—cars listed for customs purposes at less than $1,200. March imports in this group were 7,198; first quarter totals, 16,546.

Peak months for British car imports are expected to continue until May. It now seems likely that U. K. will meet, if not exceed, its goal to ship and sell 50,000 cars and trucks in Canada during 1950.

Estimated value of this business (including parts) is put tentatively at $60 millions. This would represent between 15% and 20% of estimated British exports to Canada in 1950.

The comparable value of British car imports exports to Canada in 1949 was $35 millions, of which $20 millions was represented by trade in the last six months of the year.

Can Britain Keep Up Drive To Sell More to Canada?

OTTAWA (Staff) — Critical Canada-U. K. wheat talks in London this week will feature the official Canadian contention that Britain can boost her Canadian sales to $370 millions in 1950—if she maintains and extends her present dollar export drive.

Better dollar earning prospects for 1950 in other sterling area countries will also be stressed.

Prime purpose of the London talks is wheat and flour. But the important framework in which we'll raise this issue is the improved dollar earnings prospects. Contentious matters such as dollar incentives and dump duties will also be tackled.

The new $370 millions estimate is based on latest studies both here and in the United Kingdom as to success of British sales efforts since devaluation. It represents an upward and more optimistic revision of earlier estimates.

In the first quarter of 1950, Canada's imports of U. K. goods totaled $84 millions—a 9% increase over the same period a year ago. Since the pound has been devalued meanwhile, this represents a much larger volume increase.

Total U. K. dollar sales in 1949 were $307 millions. If the new $370 millions goal is reached, this will mean a 20% boost in dollar earnings—despite devaluation.

Autos and Steel

Leading the parade of dollar earners in the Canadian market is motor cars. It is now expected the U. K. can reach, if not exceed its goal of 50,000 complete units and spares for 1950. This would net about $60 millions against $35 millions last year. In 1949, U.K. exported about 31,000 cars and 2,200 trucks.

Another large prospective earner is steel. U. K. authorities seem confident they'll reach their objective of 160,000 tons of primary iron and steel to Canada this year. This is more than twice the 1949 figure. It would net the British probably $30 millions to $35 millions.

Capital goods are due for substantially higher figures. U. K. exports in this field in the last six months of 1949 totaled between $13 millions and $15 millions. It's expected that the 1950 figure for the full year could reach as high as $40 millions without difficulty.

(Capital goods seem to be one area of British exports where British manufacturers, with or without government aid, can expedite dollar business more readily than in some other fields. They are clearly doing this and putting considerable effort into their dollar sale drive with presently encouraging results.)

Whether U. K. can meet its

(Continued on page 3, col. 4)

Crimp in Mine Financing Seen a Tax Bill Danger

Because of difficulties which the financial and mining communities see inherent in Section 73b of Bill 177 amending the Income Tax Act as it affects mining, modifications to this section are being sought.

Section 73b exempts prospectors and backers from income tax on interests, shares or proceeds from prospecting endeavors in accordance with paragraph three of Mr. Abbott's budget resolutions. But in subsection four of Section 73b it is set forth that the exemption from tax "does not extend to a person who

"(a) is carrying on a business of dealing with the public in shares or securities, or

"(b) disposes of the shares after carrying on a campaign to sell shares of the corporation to the public . . ."

Challenge Fairness

The possible liability of mining promoters to full tax on all gains made by selling assets over cost value is the great cause of concern. Contention is that the McDonough case has been used as a basis for extending a liability established by the court to cover a much wider range of activity. The court found in the McDonough case that profits made through the taking down of shares under an option was subject to tax. But in the McDonough case, it is declared, no money had been invested by McDonough in consideration of the option and his position was hardly analagous to a promoter who might now place $200,000 of cash in a company's treasury to get it going.

It is realized that the court has established there is a field for taxation of gains made in trafficking in mining shares but the fear is expressed that Section 73b, as it at present stands, would nevertheless have a considerably dampening influence on development of new mining properties.

Two Toronto brokers have already indicated that they may sell their seats on the Toronto Stock Exchange as a direct result of a perusal of the bill. Men of means, and in a high income-tax bracket, they feel that financing of new mines will hardly be worth the effort and risks involved.

An individual with an investment income of $30,000 per annum pays tax at the rate of 50% or more on top income, it is pointed out. If all gains made in stock trading, or on investments, are to be added to an arbitrary income of $30,000, tax would be at a rate of at least 50%, they stress. In the United States, on the other hand, an individual holding stocks six months, only pays a capital gains tax of 25%, or half what the comparable tax would be in Canada, it is emphasized.

One of the problems posed by the legislation is the position of the three-in-one individual; the man who backs prospectors, acts as broker-promoter and is accustomed to invest in dividend paying stocks. The fear is expressed that even a small amount of promotion will make such an individual "ineligible" for a capital gain in many other directions.

Big Program Ahead For Steel Industry

Seven Companies Talk Expansion, Development Plans — But Storm Signs Up Too as European Competition on Upsurge

By RONALD WILLIAMS

Canada's iron and steel industry was astir this week. There were reports and speculation, on one side, of expansion, new ventures and development; on the other side, of increasing European competition and the throttling of Canada's steel export trade by the closing of almost every overseas market door.

The current situation is a mixture of these seeming paradoxes:

—Dominion Foundries & Steel just about set on a $12 million expansion program at Hamilton.

—Consolidated Mining & Smelting Co., Trail, B.C., talking about a steel mill for British Columbia but not for five, ten or maybe 20 years.

—Iron ore programs in various stages of development by Noranda Mines, International Nickel, Quebec Iron & Titanium; Inland Steel and Steep Rock tripling output.

—Algoma Steel Corp. reported rebuilding its bar mill and considering a new strip mill.

—L. A. Forsyth, president of Dominion Steel & Coal, warning of difficulties ahead, "adverse conditions," competition from foreign sources at "fantastic" prices and the closing of virtually every export market.

—Operations in basic steel still at or near capacity. Most mills here and in the United States, booked solid through the third quarter. U. S. steelmakers were pulling out all stops in their race to catch up with demand. Deliveries running two-six weeks behind, putting that much more pressure on Canadian mills.

—H. G. Hilton, president, Steel Co. of Canada, making much the same point as Dosco's Forsyth regarding imports: "Since the annual report was written two months ago (February) the threat of steel imports from overseas has become more real with the offering of imported pig iron and rolled steel products at prices well below Canadian levels . . . your company (is) encountering declining export markets on the one hand and, on the other, mounting competition from abroad in the domestic market."

—First quarter figures showing European exports including United Kingdom, up slightly but except here and there, the U. K. drive to ship a minimum of 160,000 tons of steel to Canada in 1950 falling away short of the mark.

U. K. Must Make Spurt

Tonnage in the first quarter from U. K. was 14,085 tons. This was about 4,000 tons above 1st quarter 1949 but volume is expected to pick up considerably. First quarter shipments are usually lower due to winter shipping conditions. But there will have to be a huge spurt if the British are to hit their target.

The biggest gain was in tubular and wire products. Other items such as plates and black sheets and strip were down. Here are some of the chief tonnage items.

	1950	1949
	—Tons—	
Rods	677	428
Structurals	705	441
Plates	2,212	3,070
Black sheets	2,066	2,588
Galvanized sheets	1,521	....
Skelp	290	....
Pipes, tubes	4,576	963
Wire	1,434	64

Except from Belgium, imports from the rest of Europe were negligible. First quarter shipments from Belgium were 4,784 tons against 21,083 last year. However, 1949's high figure was due to a 14,000-ton shipment of skelp

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Inside News

Why Big Gold Splurge?

What's behind the big splurge by speculators in new gold prospects? Millions have been pouring into treasuries in recent months while established mines have been in the market doldrums. An analysis of market movements, behind-the-scenes factors (p. 17).

Trust, Loan Record

For variety of interests, trust and loan companies are the "department stores of business." Read how they can serve you. Also in The Post Report, reviews of company progress, valuable reference table. (pp. 17-23).

What New Tax Laws Mean

What are the implications of new Federal income tax regulations for private, closely-held companies? An authoritative analysis of the bill now before Parliament. About Your Taxes. (p. 15).

Houses Up or Down?

Will the price of houses go up or down in the next 12 months? Those in close touch with the situation from coast to coast answer The Post Question. (p. 24).

Problems U.K. Faces

Summer comes to Britain but pressing problems remain for the British. What they are, how they're facing them is reported by Adelphi in London Calling. (p. 16).

Project Investments

Will "deferred draw" loans by institutional investors finance more of Canada's big-scale engineering and utilities construction? Here's how Interprovincial Pipe Line Co. and a New Jersey state toll road authority recently saved substantially by taking only part of proceeds now. Construction trends, (p. 10).

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Pace of Business

Factory shipments of Canadian-made motor vehicles in March were above level of year earlier, with gain owing to passenger cars. Total for first quarter of year is 60% above same period year earlier. Shipments in March: 30,051, units including 21,922 passenger cars.

Department store sales in week ended May 6 decreased 4% across country, compared with corresponding week last year. Maritimes, Alberta showed increases.

Chain stores in grocery, hardware, variety lines showed increases in sales in March, against same month year before. Chains in shoes, women's clothing, drugs, showed decreases. Highest increase: 15.6% in dollar volume in food group. Biggest drop: 6.9% in shoes.

Carloadings week ended May 8 were 73,928 cars, compared with 74,354 corresponding week year earlier.

Foreign vehicles coming into Canada on traveler's permits in April were 87,077, a 4.3% advance over April, 1949.

Electric storage batteries and parts sales by main Canadian producers in March were $1.2 millions, compared with $1.07 millions same month of 1949. Sales for first quarter are down about $0.6 million at $3.4 millions.

Stove production—all kinds—totaled 36,714 units in March, compared with 38,219 previous month. Composition: 15,258 electric ranges, rangettes; 6,049 coal, wood, sawdust cook stoves; 4,926 oil, gasoline stoves and heaters; 4,239 fuel oil cook stoves, ranges.

Canned tomatoes on hand April 1 were 3.8 millions doz. containers, compared with 4.7 million doz. year earlier.

Poultry meat stocks were 14.3 million lb. May 1, more than twice 6.1 million lb. held May 1 of 1949. Stocks are down from 17.2 million lb. of April 1 this year.

Stocks of hides held by tanners, packers, dealers were generally lower at the end of March than year earlier. Horse hides, 29,470 compared with 38,526 year before; cattle hides, 414,744 (455,627); goat and kid skins, 23,597 (98,681).

EATON'S

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Old tires can cause delay and dangerous driving accidents. Cut down tire trouble to the minimum when motoring by using EATON'S Bulldog "First-Line" quality Tires on your car.

"First-Line" quality means top-grade quality . . . top-grade in materials and workmanship . . . top-grade to meet the rigid EATON specifications and give you "First-Line" tire performance. Buy "Bulldog"—EATON'S "First-Line" Tires with the rugged "Flat-to-the-ground" tread . . . top-grade in safety and performance. Enquire to-day at

EATON'S

Sound Waves Wash Clothes

Interest in Australian Machine Typical of Trade Fair

Canada's third International Trade Fair which opens next weekend with a preview for some 400-odd Canadian manufacturers who will be in Toronto for their 80th annual convention was this week emerging as an important arena for the merchandising of new ideas. At least one radical development was attracting widespread attention in its field and not a little flapping.

While 500 British manufacturers who between them take up 40% of the 180,000 sq. ft. of exhibit space (Canadians have 25%) had a number of new variations to offer on some old industrial themes, a small Australian firm was all but stealing the show with a washing machine which, if proven to live up to all claims, could revolutionize the washing machine industry in North America and cause no little concern to the soap and detergent people.

For this machine, according to the makers;

- —dispenses with soap or any other cleaning agent;
- —does the wash by sound waves;
- —could be manufactured in Canada for $10;
- —as produced in Australia can be sold here for $55.

Whether these claims—especially those concerning soap and ultrasonic operation—stood up completely or not, the exhibit had already caused plenty of excitement. At least one washing machine company planned to have all its top brass down to the Fair to give the machine a thorough going-over; another appliance firm was angling for the Canadian dealership; and the National Research Council, conceding that the ultrasonic principle was feasible (though its laboratories so far had not come up with the answer in its own researches), had asked to be shown a model and was getting one.

The machine is the invention of a small but well-established Melbourne appliance firm, Excell & Jones which, Fair authorities say, might be regarded as on a par with, say, Moffatts Ltd., of Toronto, though its operations might be smaller in scope. One of the partners, H. K. Jones will be at the Fair to look after his exhibit.

Many details of the machine are said to be closely guarded secrets. Broadly it's described as similar in outward appearance to the ordinary machine, but with no moving parts inside. What does the washing it's said, is a small box containing a patented airlock which transmits vibrations throughout the water. The agitations so set up, it's said, are enough to do the washing and it's claimed a 14-lb. wash can be accomplished in 5-15 minutes.

The export manager of a Toronto appliance firm, recently in Australia, said he'd used one there—though he did add soap—and it worked well. Cost of operation, he said, was fantastically cheap—one Australian penny (2½ cents) for 100 hours.

Fair authorities, as a matter of policy, are making no comment on the firm's chances of successful merchandising in Canada. They add however that advance publicity has created "tremendous interest."

In the meantime the list of government, diplomatic and business VIP's planning to visit the Fair grows. Virtually every trade representative of countries from abroad where Canada's trade is at all sizeable will be on hand, together with ambassadors, ECA and UN officials; many prominent men in U. S, U. K. and Canadian business life; industrial commissioners from nearly all the provinces; some provincial premiers.

Toronto itself will be en fete for the visitors. Downtown businessmen, the city fathers are decorating streets and business houses; service clubs have a big line-up of entertainment and hospitality of one kind and another and most leading businesses doing export or import business, together with the banks, have private parties arranged.

Shower Insurance--

Famous name all-weather coats — for a well-groomed Spring, rain or shine. Fine poplins and twills that are comfortable to wear, lightweight to carry and showerproofed for your protection. In slip-on, belted or trench coat styles.

24.50 to 32.50

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SECOND FLOOR DEPT. 260

HARRY S. PRITCHARD

The appointment of Harry S. Pritchard as General Sales Manager is announced by David B. Collett, Vice-President and General Manager, Dunlop Tire and Rubber Goods Company, Limited. H. S. Pritchard has been associated with Dunlop-Canada for more than twenty years and until recently was Sales Manager of the Industrial Rubber Products and Dunlopillo Cushioning Divisions. Prior to this he was Chief Chemist of the Company.

*

ANNOUNCING

Important Appointments in Canadian Industry, Finance, Business and Government

American Association of Cereal Chemists — (Prairie division) — L. R. Johnson, chairman; H. M. Bergsteinsson, vice-chairman.

Atlas Steels Ltd. (Welland, Ont.) —John L. Cotsworth, manager, stainless steel sales.

Bank of Toronto (Toronto)—H. H. Rogge (Hamilton); A. Bruce Matthews (Toronto), directors.

M. E. Binz Co. (Montreal)—Donald M. Crawford, a director and treasurer.

Bradings Capital Brewery Ltd. (Ottawa)—W. H. Cox, assistant general manager; Frank Devine, sales manager.

Brown Boggs Foundry & Machine Co. (Hamilton)—W. J. Graham, vice-president and general manager.

Bureau of Municipal Research (Toronto)—Edwin A. Jarrett, president.

Canada Health & Accident Assurance Corp. (Waterloo, Ont.) — Gordon Ingram, branch manager at Edmonton.

Canadian National Railways (Montreal)—P. L. Belcourt, assistant secretary.

Canada Life Assurance Co. (Toronto)—Clayton H. Forsey, manager, Toronto west branch.

Carling Breweries Ltd. (Waterloo, Ont.)—W. R. Foster, district manager for Toronto.

Dunlop Tire & Rubber Goods Co. (Toronto)—Harry S. Pritchard, general sales manager.

Dearborn Chemical Co. (Toronto) —William Jamieson, vice-president, industrial sales; Lewis Blackhill, assistant vice-president.

Dominion Envelope Co. (Toronto) —G. A. Ireland, manager, bag division.

Elgin National Watch Co. (Chicago)—John F. P. Farrar (Brampton, Ont.), a director.

Empire Life Insurance Co. (Kingston, Ont.)—G. N. Sheppard, manager, mortgage dept., Toronto.

Ford Motor Co. of Canada (Windsor, Ont.)—S. H. Sutherland, economist, finance division; Dr. John M. Rowat, assistant manager employee pensions dept. (new).

Hartford Fire Insurance Co. (Toronto) — H. Douglas Coo, manager for Canada.

Hudson's Bay Co. (Winnipeg) — J. Elmer Woods, Canadian Committee chairman.

Imperial Oil (Toronto)—M. A. McArthur, district manager for New Brunswick and P. E. I., at Saint John.

International Harvester Co. of Canada (Hamilton)—W. D. Lightbody, district manager at Calgary; I. R. Perkins, district manager, Yorkton, Sask.; J. Struthers, motor truck manager at Vancouver; K. E. Forrest, assistant district manager, Vancouver; D. A. Blythe, motor truck manager, Vancouver; D. A. Blythe, motor truck manager at Saskatoon; F. M. Mills, assistant district manager, Brandon; J. R. Agnew, motor truck retail sales manager, Ottawa.

Investment Foundation Ltd. (Montreal)—D. Stewart Patterson, a director.

International Waxes Ltd. (Agincourt, Ont.)—Dr. David Aziz, director, research and development; Ross W. Matthews, secretary-treasurer.

Johnson & Higgins of Ontario (Toronto)—A. W. Haggard, W. L. Head, account executives.

Junior Investment Dealers' Association (Toronto branch)—J. D. Gilmore, president.

Purchasing Agents Association of Toronto—A. L. Francis, president.

John B. Stetson Co. (Canada) (Brockville, Ont.)—Christian Jensen, general factory superintendent.

Sun Life Assurance Co. of Canada (Montreal)—H. B. Fewkes, J. F. Innes, A. S. Kirk, assistant treasurers.

Traders Finance Corp. (Toronto) —John S. Dickson, a director; D. E. Stewart, a vice-president.

Walsh International Advertising Ltd. (Toronto) — John M. Milne, manager.

CLASSIFIED ADVERTISEMENTS

Classified ads cost 8c per word and figure for each insertion. Minimum charge $2.00. Add six words when box number is required. When replies are to be mailed to advertiser add 15c. Classified ads payable in advance. Contract rates on application.

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LADY EXECUTIVE ASSISTANT age 30 seeks post offering advancement. Experienced in organizing and directing staff, accustomed handle correspondence own initiative or secretarial capacity. Completely bilingual also German and Dutch International experience in Belgium, France, United Kingdom, Switzerland, now Canada. Present monthly salary $300 Available on month's notice. Box 186, The Financial Post, Toronto.

SECRETARY—Honour B.A. Degree, nine years' experience, temporarily employed as first-class stenographer, experienced in statistical work and calculating on bond issues, desires position as secretary to executive in investment dealers' or stock brokers' office. Box 189, The Financial Post, Toronto.

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"A" Building NDHQ,
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AGENCIES WANTED

DISTRIBUTOR'S FRANCHISE wanted for Hamilton and Niagara Peninsula or Western Ontario by a Canadian with a successful Executive and sales experience record. Financially responsible, can assume present warehouse facilities or establish the necessary accommodation and staff within reason. Apply to Box 176, The Financial Post, Toronto.

WANTED TO PURCHASE

BUSINESS WANTED

SOUND BUSINESS in Ontario, Toronto to Windsor area wanted for cash purchase by stock company. State nature, location, book value of assets. Apply Box 187, The Financial Post, Toronto.

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WANTED

AN ESTABLISHED Food Manufacturer requires $75,000.00 for expansion purposes, to be secured by 20 year debenture with interest payable quarterly and principal amortized over last ten years. Full information upon enquiry to Box 169, The Financial Post, Toronto.

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WHOLESALE WAREHOUSE—KINGSTON —For Rental or Sale. Excellent location. Labor plentiful. Suitable for jobbing, light manufacturing, storage. Three floors, basement, twenty-three thousand feet floor space Apply J. C. Polson, Kingston, Ontario.

FOR RENT

A DOWNTOWN OFFICE for rent. Stenographic services available. Phone Toronto ELgin 2363.

WONDERFUL OPPORTUNITY! Store for rent at Picton, Ontario, next to Eatons. Good for any type of business. Thriving country business. Box No. 188, The Financial Post, Toronto.

FOR SALE

FOR SALE: Manufacturing and distributing rights to Canadian Patent 455970. This is a hand-operated cutter which will cut sheet steel, from light to moderately heavy gauge, any size sheets, without any distortion whatsoever. It is also suitable for cutting wallboard, plastics, or any other material in sheets, as well as wire, armoured cable, brake lining, rubber belting and a diversity of other items. It is particularly adapted to the clean cutting of corrugated, either steel or aluminum. This cutter is now being manufactured and is ready for distribution. For particulars write Box 190, The Financial Post, Toronto.

Clearance 1,000 Typewriters

ALL STANDARD MODELS, small and wide carriages. Regular price up to $275. To clear $40.00 each — later models $50.00 each. Excellent condition—guaranteed. We ship C.O.D. Write Capitol Equipment Co. 2098 St. Catherine St. W., Montreal 25, Que.

NEW BOILER FOR SALE

NEW OAKWOOD SPENCER STEAM BOILER No.-48-18B., approx. 8700 feet radiation. New, damaged in accident, since repaired and now bears Ontario certificate of inspection 9843. New list price $2436.00. Submit offers to Western Freight Lines Limited, Chatham, Ontario.

Management Keeps Control Of Earnings Under New Law

By MONTEATH DOUGLAS
Director, Canadian Tax Foundation

The Budget resolution concerning capitalization of private companies' undistributed profits could not give the whole picture. Now that it can be put together by taking Bill 177 and reading it backwards in conjunction with the Income Tax Act, the process of amendment being of this character, the result appears generous in its treatment of existing accumulations, straightforward in its prospective operation thereafter, and ingenious in its whole conception.

It is the most interesting piece of tax legislation that has appeared for some time. While its object is to relieve the long recognized disabilities of small companies, which as the report of the Ives Commission showed practically amounted to inadvertent discrimination, it introduces a principle which might well be extended to all companies generally, even though most public companies would have no occasion to take advantage of it. This point can be considered next year.

As regards private companies, it has the great merit of leaving no logical place for the tax authorities' power of interference with management's policy in retention of earnings, which has been a feature of our income tax since it started in 1917, and this power is to be discarded.

Making the Plan Work

The first thing needed to make the new plan work is new language to clothe it.

"Private company" has the same general meaning (S.95A(3)) as it had under Part XVIII of the old Act, that is, a company having not more than 75 shareholders not counting employees.

"Tax paid undistributed income" (S.73A(1)(b)) denotes earnings that are segregated for tax purposes on payment of the new 15% tax.

"A shareholder's portion (S.73A(1)(c)) of undistributed income, tax-paid or otherwise, means the amount that he would receive assuming a winding-up and distribution.

The scheme distinguishes between undistributed income accumulated as at the end of 1949, and earnings thereafter, and provides for separate elections to pay the 15% tax respecting each side of the line (S.95A). There are no time limits, the only requirement being that any pre-1950 surplus must be put on a fully tax-paid basis before, and as a condition of an election respecting earnings retained thereafter, which are eligible to an extent equal to the amount of dividends paid. As to the future, the company is free to do what it likes—to postpone its election, or to repeat it with cumulative effect over consecutive periods, or to do nothing at all about it. The matter is entirely optional.

Effect on Shareholders

What advantages do a company and its shareholders get on payment of the 15% tax? Briefly, "tax paid undistributed income" is thereby rendered free of tax in all the circumstances in which regular undistributed income would otherwise attract tax to the shareholders on indirect distribution; for example, on capitalization, or on distribution in case of winding up, or on reduction or conversion of common stock.

Section 9, which is now to be repealed and replaced by new Section 73, provided among other things that in events of this character a dividend was deemed to be received by shareholders roughly to the extent of their interest in undistributed income on hand, on which they were taxed accordingly as though they had received cash dividends.

These provisions are retained in subsections (1), (2) and (3) of Section 73 as a general rule, but in subsection (4), which is new and represents the key of the new scheme, a release mechanism is brought into play by which a "shareholder's portion" of "tax-paid undistributed income" is deducted from the amount of notional dividend otherwise attributed to him.

For example, if a company should capitalize undistributed profits by issuing a stock dividend in the form of paid-up redeemable preference shares, the shareholders receiving them would only include them in income if, and to the extent that, the amount of profits so capitalized exceeded the amount previously segregated on a tax-paid basis.

In conclusion, therefore, payment of the 15% tax does not itself effect a capitalization of the profits so covered, but it puts the company in a position to carry out a capitalization to that extent without exposing the shareholders to the tax liability that they would otherwise incur.

It follows as an incidental feature that stock dividends are now to be excluded from the statutory definition of "dividends," and also excluded from the operation of Section 8 which would otherwise have left them taxable in all circumstances. Instead, they are brought into the new section 73 on a basis which makes them subject to the release mechanism described above.

Keep Profits for Expansion

Finally, it should be noted that this release only operates with respect to the "indirect distributions" covered by Section 73.

It does not apply to an ordinary cash dividend paid by a going concern, which would continue to be taxed as such regardless of the tax status of the company's undistributed income. The result is therefore simply to allow a wide latitude of treatment with respect to capitalization of profits and consequential arrangement of shareholders' interests which was previously barred by prohibitive tax consequences.

In this result, the new system appears to give full effect to the intention stated in the Budget speech of encouraging family-owned companies to pay reasonable dividends while at the same time making it possible for them to retain profits essential for growth and expansion without imposing on shareholders an almost impossible potential burden. Looking to the future, while it relieves a grave inequity which the tax law never intended, it will go some way to promote the availability and security of risk capital for small business.

Sterling Securities

Specialized knowledge of United Kingdom and Sterling Area regulations available to inquirers, without obligation.

Persons intending to take up permanent residence in the United Kingdom or any other part of the Sterling area are particularly invited to consult us.

BARCLAYS BANK (CANADA

From the days of the early merchant bankers until now, three centuries of banking experience and tradition stand behind Barclays Bank (Canada).

MONTREAL
TORONTO VANCOUVER

ADVERTISING

Account Appointments, Plans And News of Personnel in the Canadian Advertising World

Tandy Advertising Agency, Toronto directs new educational promotion for Atlas Steels Ltd., Welland, Ont. with full-page two-color insertions in trade and business papers. Editorial-type copy will emphasize the wide variety of uses for stainless steel.

* * *

Walsh Advertising Co., Toronto uses full-page color insertions in French and English weekend papers for summer footwear products of B. F. Goodrich Rubber Co. For same company's canvas sports shoes, sport and school papers are being used; mining and fishing papers, with English and French farm papers, are to carry advertising for Goodrich waterproof wear.

* * *

Muter, Culiner, Frankfurter & Gould Ltd., Toronto uses news magazine, wekend roto paper and Ontario dailies to promote new line of shirts made by client, Balfour Shirt Co. Ltd.

* * *

McKim Advertising Ltd., Toronto directs campaign for 1950 refrigerator lines of Kelvinator Co. of Canada, London. Color inserts in trade magazines from May to September are planned as sales aid and information booklet for dealers; directed at consumers is campaign to run concurrently in dailies across country.

* * *

McConnell, Eastman & Co. Ltd., Montreal is appointed to handle campaign for Inter-City Baking Co. Ltd., Montreal.

* * *

Russell T. Kelley Ltd., Toronto appoints R. Ian Laidlaw associate radio director and account executive.

* * *

Erwin, Wasey of Canada Ltd., Toronto directs campaign in business and industrial papers, with direct mail to industry, for Rogers Majestic Ltd. Communications Division's FM two-way radiotelephone equipment.

* * *

Russell T. Kelley Ltd., Hamilton uses national magazines to promote new model vacuum cleaner with improved method of dirt disposal and a number of other new features put out by its client, Hoover Co. Ltd. of Hamilton.

* * *

A. J. Denne & Co. Ltd., Toronto is using Ontario dailies to promote new wheat wafer product of Peak Frean (Canada) Ltd., Toronto, together with grocery papers and radio spots.

* * *

Muter, Culiner, Frankfurter & Gould, Ltd., Toronto handles advertising for group of seven Toronto and Montreal garment manufacturers now licensed to produce Hopalong Cassidy wearing apparel. Plans include trade and consumer publications and direct mail.

* * *

Heggie Advertising Co., Toronto appointed to handle advertising of Belleville Lock Co., Belleville, Ont., is using national magazines and business papers devoted to hardware and building trades.

* * *

Muter, Culiner, Frankfurter & Gould Ltd., Toronto handles campaign for new type spray wax for automobiles produced by its client, Nonsuch Ltd.

Obituaries

George Arthur Arnot, 36, Toronto, radio advertising executive, William Wright Agency.

Alfred J. Johnston, 49, Toronto, vice-president and general manager of Weco Products Ltd.

Hon. J. E. Lawson, 58, Toronto, former minister of revenue in the Bennett cabinet; president, J Arthur Rank organization in Canada.

Arthur Martel, 79, Montreal, a vice-president, Trades & Labour Congress of Canada.

Mr. Justice George Franklin McFarland, 69, Toronto, senior judge, trial division, Supreme Court of Ontario.

Achille Rolland, 60, St. Jerome, Que., former assistant manager of Rolland Paper Co.

Retirements

Hudson's Bay Co. — Robert J. Gourley, member Canadian committee.

Hartford Fire Insurance Co.—B. W. Ballard, manager for Canada.

New Electrical Firm Houghton Connectors

Formation of a new firm, Houghton Connectors, Ltd., to manufacture electrical connectors for wire, cable, bar and rod, both in cast and machine type, is announced by its president, A. R. Houghton. Office and plant will be at 92 Sherbourne St., Toronto.

Mr. Houghton was one of the original members of Canadian Electrical Manufacturers Association and served on several Canadian Standards Association committees.

1 REASON WHY a million Canadians use the B of M...

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BANK OF MONTREAL

Canada's First Bank .. WORKING WITH CANADIANS IN EVERY WALK OF LIFE SINCE 1817

TOP FLIGHT SALES PROMOTION OR MANAGEMENT EXECUTIVE

- Outstanding record
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- Exceptional references
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- University graduate

If you have a big job to be done in the marketing end of your business—sales promotion, sales management, advertising — or need an alert, resourceful executive for management duties, or to handle public relations or employee relations, investigate this man's background and you will not be disappointed.

All enquiries held in strict confidence.

BOX 191, THE FINANCIAL POST, TORONTO

SALES MANAGER WANTED

Large Canadian manufacturer has opening for an experienced Sales Manager. Must be capable of directing and taking complete charge of the company's sales organization. Applications treated in strict confidence. Apply with complete information to:

BOX 192, THE FINANCIAL POST, TORONTO

STEEL SALES EXECUTIVE WANTED

Excellent opportunity for right man. Must be well qualified and dependable. Submit references and record of previous employment which will be treated confidentially.

BOX 184, THE FINANCIAL POST, TORONTO

FOR SALE

PASSENGER BUS TRANSPORTATION LINE

EXCLUSIVE FRANCHISES IN MANITOBA

Serving fast growing towns not reached by Railway

GOOD PROFITS AND EXPANDING OPPORTUNITIES

Long established routes.

Daily passenger and express service. Owner retiring. Confidential. Books open. Information to principals only.

PRICE $90,000. LONG ESTABLISHED LEASE ON BUS DEPOT or Price $135,000 including Bus terminal Depot Bldg.

FOUR PROVINCES INVESTMENT CO.
300 MAIN STREET, WINNIPEG, MAN.

Please write us about any business you want in Western Canada.

Big U.S. Newsprint Demand Hits Argentine Plea For Aid

(Continued from page 1)

a contract for 22,000 tons held by its bitter opponent, La Prensa, with Northeastern Paper Products Ltd., sales outlet for the Anglo - Newfoundland - Anglo - Canadian group.

However, not long ago, on March 9, La Prensa was stricken from the list of authorized newsprint importers. Now the government has had to turn to La Prensa for help, although, to save face, it arranged with the paper to assign its tonnage to a small paper, El Dia, which has a 2,000 ton contract with Northeastern.

It's pointed out here that newsprint contracts are good only if the tonnage is for exclusive use by the contracting customer. Thus, legally, there is no compulsion to deliver the newsprint under the contract, because it would immediately be parceled out to the various papers by the government on a pro rata basis

The Argentina situation brings up interesting possibilities in connection with the U. K. contracts which have been held open by Canadian companies despite the fact that their British customers were forced to stop buying because of government restrictions.

With both the U. K. and Australia believed anxious to get ECA authorizations for tonnage here, the supply situation may soon become even tighter than it is now. And because of its poor behavior in the past, Argentina isn't apt to get preference over the other two, it's thought.

The necessary dollars for Argentina's newsprint purchases are being made available as a part of a $125 million loan to Argentina now under negotiation with the U. S. State Department, it's understood. Its purpose is to cover Argentina's currently outstanding dollar obligations, but it's believed that room will be made for the Canadian newsprint purchase.

What has happened to the Canadian newsprint picture recently is illustrated by some estimates given by Murray Savage, secretary of the Newsprint Association of Canada, in a talk before the Montreal Institute of Investment Analysts last week.

Mr. Savage figured it this way: On the basis of a 6.2% forecast increase in U. S. consumption this year (7.4% actual so far), total may reach 5,875,000 tons compared with 5,530,000 in 1949. Total U. S. domestic output is expected to be about 950,000 tons, including that from the new Coosa River plant, and European imports seem likely to drop from 1949's 255,000 tons to 175,000. This leaves 4,750,000 tons which will have to come from Canada.

Thus Canadian shipments to the U. S. would have to be roughly 350,000 tons higher than in 1949 in order to meet the demand. This would more than offset the 300,000-ton drop in overseas exports which seemed in the cards for 1950 last fall.

WATCH FOR THIS —
MAY 27 — Trade Fair Report. Invaluable guidance to exhibits and exhibitors at C.I.T.F., Toronto — new products, where they come from, who makes them, and Canada's current position in world trade.

PRICES

(Continued from page 1)

vances. Meanwhile, 21 U. S. producers asked for higher tariff protection on lead. They pointed to how imports depressed prices till just recently, claimed serious injury to U. S. lead producers was still possible from imports from number of countries, including Canada.

Sugar prices might be lower later on if predictions by some of a larger sugar crop in Cuba this year are correct.

Pure gum turpentine prices won't change for some time, it's predicted. Seasonal softening of prices hasn't materialized this season with current demand supply.

Maclean-Hunter Profits Show Small Increase

(Continued from page 1)

lem in some detail, he said, "that our subscribers and advertisers may understand that the publisher is not profiteering or unfair when some increase in rates becomes necessary, and that our own staff may realize the importance of full co-operation in helping to work out improved methods of operation that will mean a saving of time and materials."

"After paying a very small dividend to shareholders on their capital invested in the company, we transferred to surplus $36,395. This brings our surplus to $1,501,369. This money is, of course, all invested in our plant and equipment."

Increasing Circulation

Full-time staff now numbers 1,260, not including a large number of part-time writers and local sales agents.

New records were set during 1949 in editorial services, number of subscribers and advertising revenue, Mr. Hunter reported.

The company's two general magazines — Maclean's and Chatelaine — each added 50,000 new subscribers. Maclean's Magazine, he said, has added another 25,000 subscribers during the first quarter of 1950, has now 400,000 subscribers, which would be the equivalent, according to English - speaking population, of six million subscribers for a U. S. publication. Canadian Homes & Gardens increased its circulation from 35,000 to 50,000.

"Our subscription list for all publications is now well over the million mark, and according to independent surveys this means about four million readers," Mr. Hunter said. "Editorial expenditures on all publications amounted to $1,156,905 — a substantial increase over the previous year.

Service to Canadians

"However, neither the amount of money spent, nor even the number of subscribers to our publications, give any adequate appraisal of the service rendered to the people of Canada through our publications.

"Our 27 business papers, dealing with finance, merchandising, industry and general services, perform an important function in increasing efficiency, and thus bringing an increased measure of prosperity to subscribers and readers of these publications. This increased efficiency and improved methods lower cost of production and distribution, and this tends to retard to some extent the rapid rise of the cost of living and maintain economic conditions in Canada on a more stable basis.

"Our four Canadian magazines keep readers informed on Canadian problems and activities, and thus increase the pride in Canadian citizenship, and bring about a greater degree of national unity."

Two new publications during 1949 — Civic Administration and Canadian Packaging — had both received "an excellent reception" from subscribers and advertisers, Mr. Hunter said.

Total investment in the company's North Yonge Street production plant now stands at over $5 millions. While all equipment was moved to the new plant in 1948, it was some time before operations in various departments approached a normal basis. Erection and test runs of two massive five - color Goss presses, costing $1 million, are underway.

Mr. Hunter expressed regret that Col. J. B. Maclean, founder and chairman of the board, was unable to attend the annual meeting: "You will be glad to know his health is improving, and his interest in the activities of this business is as keen as ever."

Can UK Hold Export Drive

(Continued from page 1)

present plan to send 450,000 tons of Welsh anthracite to Canada this year is still problematical.

Most textile items are expected to maintain in the last half of 1950, the levels established to date this year. One exception is cotton piece goods, where a 50% increase in the second half of the year is expected. Over-all U. K. sales of cotton, wool, rayon textiles of all kinds, including apparel, is expected to top the $100 millions mark for 1950.

One factor which it is believed will speed the flow of U. K. textiles into Canada is the increasing importance of Jap competition.

Seek Better Incentives

To date, concerted efforts by British and Canadian interests to sell the U. K. Government on positive incentives to switch business into dollar channels have failed. Whether or not there'll be any change of view from now on, is a matter that's giving considerable concern to many business firms.

Steel Industry Looking Ahead

(Continued from page 1)

which was immediately re-exported.

Other shipments:

	1950	1949
	—Tons—	
Germany	111	2
France	100	....
Norway	91	49
Sweden	95	66

But at the same time European mills were knocking off some juicy contracts here and there. It was reported that a Belgian firm had the steel contract for the second section of Toronto's subway. British mill is supplying steel pilings for a big job on Toronto's waterfront. German steel was reported finding its way to Georgian Bay ports for ship construction.

Europe's Cut Prices

It was also reported European mills, mostly Belgian, were offering steel on the East and West coasts at lower prices than Canadian firms. One firm was even offering pig iron at Trois Rivieres considerably below Canadian prices. However, getting delivery and assurance of the same price at the time of delivery, is something else.

This latter development European firms grabbing some choice orders here and there and the implications for 1951-52 when Europe's steel industry will be back to normal and pushing hard for export markets—are believed to be what's behind the concern now being shown by some in the industry. They aren't being hurt yet but they could be in the future.

On the development side, here's the picture:

Dominion Foundries & Steel Corp., after a couple of postponements due to high construction costs and doubts about the future, was just about ready to go ahead with a reported $12 million program. The first step will be an 800-ft. dock on Hamilton Bay. This is said to be already approved because Dofasco needs it, whether the rest of the program is proceeded with or not. The rest consists of an integrated blast furnace and coke ovens to put Dofasco in the primary producing class. Nothing has been signed on this so far. Up to now, Dofasco has had to buy its pig iron from Algoma and Dosco. The proposed expansion would make Dofasco independent. The way Dofasco sees it, the future looks bright enough to go ahead.

Consolidated Mining & Smelting Co. served notice it is vitally interested in any steel industry that is developed in British Columbia. Vice-President and General Manager R. W. Diamond last week said Cominco hopes eventually to go into the steel business in a big way. The firm's steel research is continuing but it isn't likely a start will be made for at least five years and maybe not for 20. The deciding factor will be B. C. population. At present its 1.1 million isn't enough to warrant a steel industry.

International Nickel is continuing its study of methods which will permit output of high-grade by-product iron ore from the huge piles of residue from its nickel operations.

Noranda Mines is considering plans for a commercial-sized plant to produce sintered iron—oxide from pyrite. A test plant has already shown that Noranda has ores which can be economically treated.

Quebec Iron and Titanium has started on its $25 million project to exploit an estimated 120 million tons of titanium-iron ore in the Lake Allard area on the North Shore of the St. Lawrence. Annual output after smelting (at Sorel) will be about 225,000 tons of titanium oxide and 175,000 tons of high-grade pig iron. The project is being financed by two U. S. companies, Kennecott Copper Corp. and New Jersey Zinc Co.

Steep Rock starting to triple output to three million tons of ore annually.

Inland Steel still exploring "C" ore zone optioned on lease from Steep Rock. A new mine with a potential of three million tons a year is being talked about.

Atlas Steels steps up scheduled production at Welland, Ont., on Canada's first stainless sheet rolling mill now being installed, with appointment of John L. Cotsworth as sales manager.

Look For It Here

May 20, 1950

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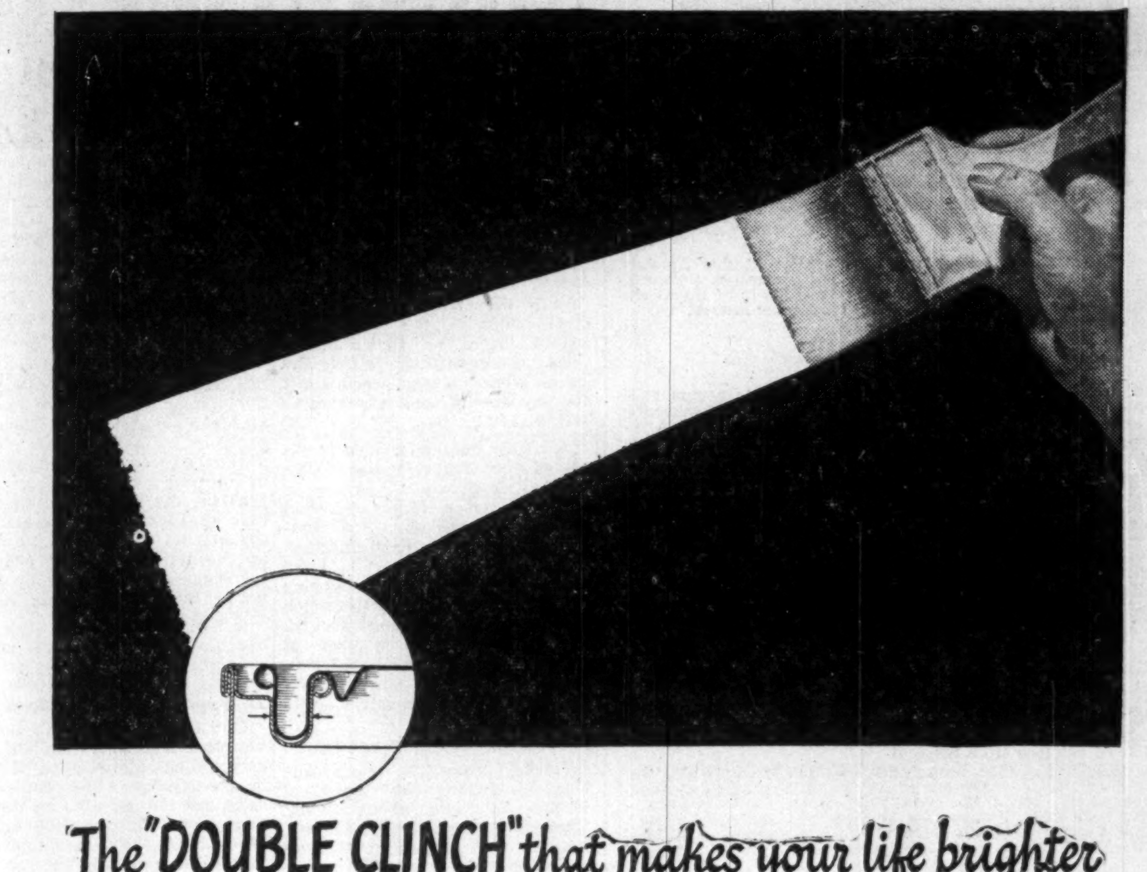
MINES AND OILS			
Akaitcho	30	Imp. Oil	4
Alta. Nat. Gas	5	Int. Paper	4
Area Mines	20	Lunward	31
Bankfield	8	MacDonald	32
Bulolo	29	McLellan	31
Coniaurum	20	Mercury Oils	25
Cons. Duquesne	29	Pato Cons.	29
Cons. Howey	29	Pan Western	31
E. Malartic	31	Polaris Oil	30
Francoeur G.	30	Prairie Trans.	5
Gordona	25	Queenston G.	30
Harricana	29	Roybar	31
Husky Oil	23	Salmita	8



The "DOUBLE CLINCH" that makes your life brighter

Years ago, paints were mixed on the job, by the painter.

Then, a revolutionary idea . . . ready-mixed paints anyone could use.

BUT — there wasn't a can in existence that was really practical for shipping ready-mixed paint.

Friction-top cans sprung leaks in transit. And covers did not reseal tightly enough after opening.

The American Can Company tackled the problem. They solved it by inventing a cover that clinched itself twice — easy to open and reclose tightly, and leak-proof in shipment.

The "double clinch" can, today's familiar paint can, helps to brighten the lives of millions — including paint manufacturers.

Perhaps Canco inventiveness, experience, and service can help you package your product more profitably. For competent advice on *any* phase of packaging, call Canco first.

Executives: Can you use these aids to more profitable packaging?

1. Scientific help from the world's largest packaging research laboratory.
2. New and attractive package designs by experts in metal decorating.
3. Free use of Canco's Home Economics staff for kitchen recipes and "how to use" directions for your products.

CALL CANCO FIRST

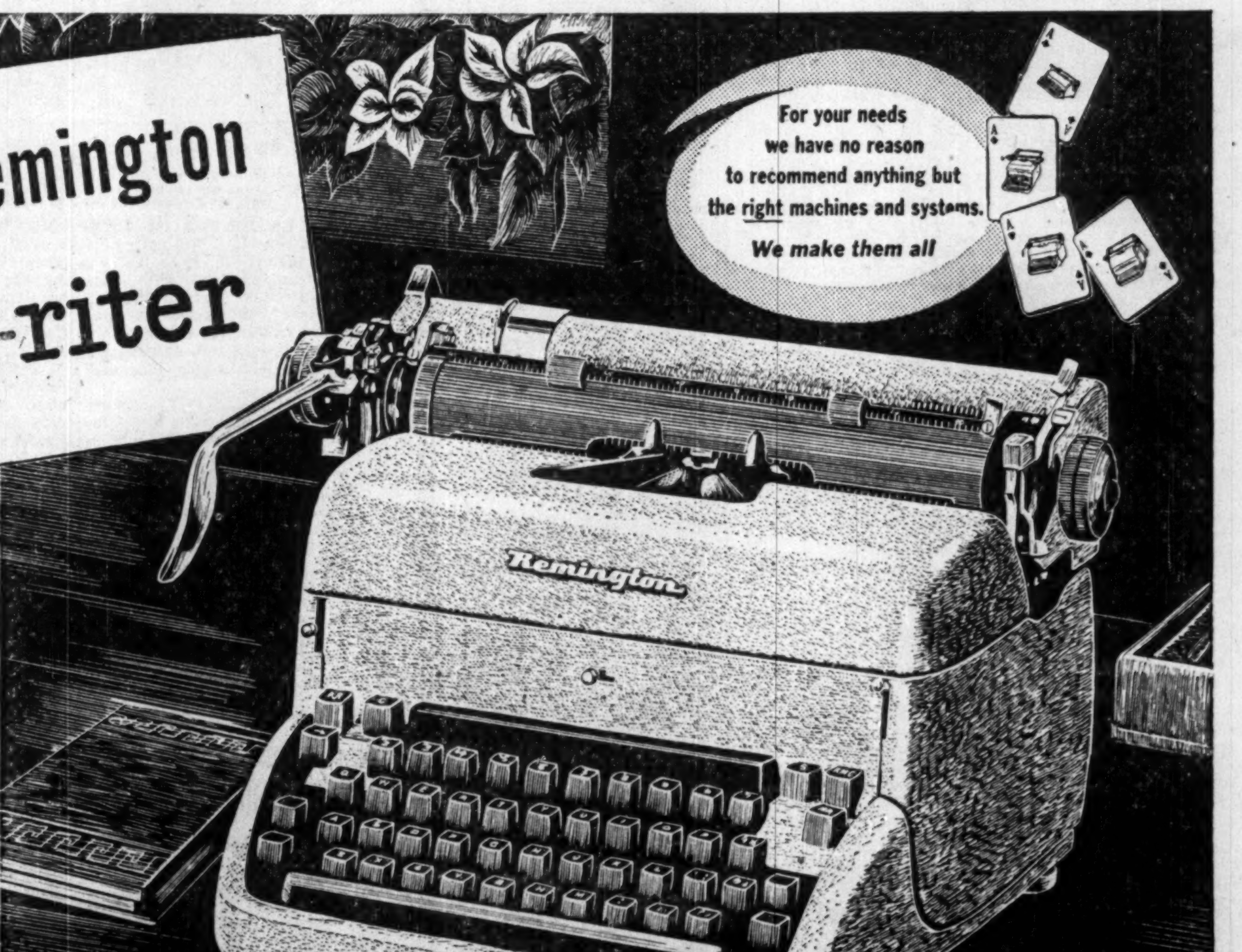
American Can Company

CREATING PACKAGES THAT SELL YOUR PRODUCT

KENTVILLE • MONTREAL • TORONTO • HAMILTON • WINNIPEG • VANCOUVER

the new Remington

Announcing Super-riter


For your needs we have no reason to recommend anything but the right machines and systems.
We make them all
Remington

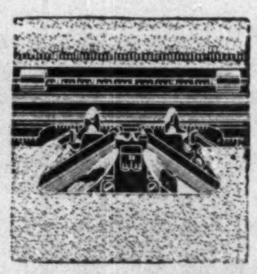
Super-riter — created out of the world's longest experience in typewriter production . . . 77 years of it! *Super*-riter — efficiency-tested to save on office typing costs—sleek, functional in design. *Super*-riter will perform better . . . faster . . . at measurably less cost. Here's why:

- *Tempo-touch action!* Speeds type-bars to printing point — permits faster typing — truly responds to the touch and rhythm of the individual operator.
- *Super-Plus values!* The *Super*-riter has everything for feather-ease, less fatiguing typing: finger-fitted keys, one full inch Longer Writing Line, exclusive one-key Keyboard Margin Control, exclusive Perfect Positioning Scale . . . you get all these and more with *Super*-riter.

MAKE THE *Super*-riter SAVINGS TEST IN YOUR OFFICE — PHONE FOR FULL INFORMATION

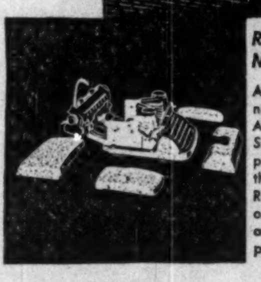
Exclusive Key Release

Provides a solution to frayed tempers and lost time caused by jammed keys. The Key Release is a simplified one-finger operation. By simply pressing the key, the typist can, in less than a second, cause the jammed keys to fall back into place without any effort or bother.



Ingenious Perfect Positioning Scale

This newly developed, exclusive feature epitomizes work simplification for the typist. The perfect positioning scale — with zero in the centre — permits instant, accurate setting of absolutely identical margins and positive centring of typewritten material on the page.



Revolutionary Fold-A-Matic Construction

Amazing engineering ingenuity is revealed in the Fold-A-Matic construction of the Super-riter . . . providing important savings in extending the life of the typewriter. Reduces special adjustments or servicing, permits instant access to all vital operating parts.

TYPEWRITER SUPPLIES

ONE call brings ALL the best — Remington Rand is supreme in the field of supplies . . . supplies that help you get the *most* from your business machines! The new All Nylon Typewriter Ribbon for new economy through *far longer wear* . . . Patrician Carbon Paper, with exclusive convenience features.

Remington Rand THE FIRST NAME IN TYPEWRITERS

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DOMINION COAL COMPANY LIMITED

On the occasion of the Annual Meeting of the Shareholders, which was held at Montreal on May 12, 1950, Mr. L. A. Forsyth, President of the Company, made the following address:

The representation of Preferred Shareholders at this Annual Meeting of Dominion Coal Company Limited constitutes a record attendance. Undoubtedly the importance of matters to be discussed at the Special General Meeting is responsible for the interest which our Shareholders have manifested.

FINANCIAL

All Shareholders have now had an opportunity to peruse and digest the Report of the Directors and the Financial Statements which embody the results of operations during the year 1949.

Net profits for the year were $650,967.92, a decrease from the previous year's figures in an amount of $53,665.66.

During the year dividends on the Preferred Shares were declared and paid in a total sum of $643,197.00 leaving dividends on these shares in arrears for one half-year as at December 31st, 1949.

The balance at credit of surplus account at the close of 1949 shows at $2,316,814.11. Recoveries of Income and Excess Profits taxes paid in prior years in the sum of $245,000 account in substantial measure for the increase of this balance over last year's figure.

An item of undoubted interest to shareholders is the fact that the statements for 1949, like those of 1948 are featured by the absence of any liability for outstanding Bank Loans.

PRODUCTION AND SALES

Total production from your collieries in a quantity of 4,426,890 net tons failed by 45,330 net tons to reach the production of the previous year.

Sales of coal in a total for the year of 4,372,129 net tons were down 180,688 net tons from those of 1948.

The work stoppage in bituminous coal mines of the United States created a serious shortage of fuel in Canada which affected our principal customer — The Canadian National Railways — quite seriously. I am happy to say that by a co-operative effort of our officials and personnel with those of the Railways more serious consequences of the shortage than those which transpired were averted.

MECHANIZATION PROJECT

The project for the provision of mechanized mining and loading equipment, together with additional modern facilities for the cleaning and preparation of the coal produced in our collieries, has now been advanced to the point where approval by the shareholders of the arrangements for financing will enable it to be carried forward immediately.

At the last annual meeting the shareholders were informed that certain proposals for financing such a project with assistance from the Federal Government were under discussion with the Dominion Coal Board, and the hope was expressed that these proposals would receive favorable consideration by the Government of Canada.

I am pleased to be able to report that the hopes then expressed have been realized.

The detailed program submitted by our management has been recommended for and has received approval of the Minister of Trade and Commerce, and from funds provided under statutory authority a loan in the sum of $7,500,000 toward financing the cost of mechanization of our collieries has been made available to this Company.

The project, as approved by the Minister, envisages its completion within four years. The total estimated cost falls slightly short of $13,000,000. The equipment and installations which are contemplated may be briefly described under three heads:

(a) mechanical miners;

(b) mechanical loading equipment;

(c) wash plants.

Approval will be sought from the shareholders of the execution of an agreement embodying the arrangements under which advances for the mechanization scheme will be made by the Government.

In its broad outlines this agreement provides that advances will be made by the Government from time to time to the extent of two-thirds of the amount of expenditures actually incurred on the project, the total of all advances not to exceed $7,500,000. The balance of advances outstanding, from time to time, will carry interest at the rate of three and one-half percentum per annum (3½%); and it will be noted that the Company will be required to finance, upon the basis of present estimates, about $5,500,000 of the total ultimate outlay.

The advances made by the Government will be secured by Chattel Mortgage upon moveable equipment purchased in furtherance of the scheme and by real estate mortgage upon immoveables acquired under the project.

While interest accruing on the advances made by the Government will become payable half-yearly from the date upon which the monies are advanced, repayment of the principal is to commence on the 30th day of June in the year following the calendar year in which the last instalment of the loan is provided, but, in any event, not later than the 30th day of June, 1955.

The provision for repayment of the principal requires semi-annual instalments equivalent in amount to thirty cents (30c) per net ton of coal produced from the mechanized collieries during each preceding six months, with a stipulation that the full amount of the loan shall be repaid within fifteen years after the due date of the first semi-annual instalment. The Company may, however, accelerate payments if it so desires.

The agreement contains a stipulation that during the term of the loan no dividends be paid upon the Company's Common Shares and that no additional Preferred Shares be issued, or retired otherwise than by the operation of Sinking Fund, without the approval of the Minister.

Satisfactory arrangements with the Company's bankers have been concluded for interim financing of the funds required over and above those which are to be advanced by the Government, but it will be evident that ultimately these expenditures must be funded and it is principally for that reason that authority is now being sought from the shareholders for the issue of bonds. While it is true that authorization is sought in respect of a principal amount of bonds greater than the amount of the contemplated expenditures, it is felt that such a course is justified because of the possibility that increased production resultant from the capital expenditures in contemplation may require some addition to the working capital of the Company.

The shareholders should be informed that the inroads recently made upon our markets by oil and other competitive fuels make it imperative, for the preservation of the industry, that real reductions in cost of production be achieved. Our own engineering experts and those of the Dominion Coal Board who have closely studied this matter are satisfied that such reductions can be obtained by the methods now proposed; and it is my belief that the adoption and approval of this mechanization project by the shareholders is not only of the utmost importance in the interest of the Company and those engaged in its operation but will represent a most significant forward step in the coal-mining industry world over.

I believe that this project will restore coal as a fuel and an energy producer to a truly competitive position and enable us to retain and expand our present markets and probably regain the business of consumers who have discontinued the use of coal in favour of other fuels.

MECHANICAL MINER

I should like to say a few words as a follow-up to remarks made at the last annual meeting with respect to the "Mechanical Miner," so-called. The machine to which the President referred last year has now been in operation underground, and, with improvements in construction and design developed during its operation, is now giving a remarkably satisfactory performance. Naturally further machines of this type, as constructed, will embody these changes both in design and construction and I may say that not only our own engineering staff but interested and highly qualified observers as well, speak in the highest terms of the efficiency and productive capacity of the machine.

While the statement may have no place in remarks to the shareholders of Dominion Coal Company, it is, I think, a matter of considerable satisfaction to us all that this machine has been constructed and the new ones will be constructed in the plant of Trenton Industries Limited at Trenton, Nova Scotia.

LABOUR RELATIONS

Labour Relations of the Company have been excellent, and, as a result, productive efficiency shows continual improvement.

Employees in our Nova Scotia collieries have approved by a majority vote a contract negotiated with the Union continuing the prevailing rates of wages for two years.

CURRENT OUTLOOK

The outlook both for production and disposal of output during the current year is favourable.

Overall production in Nova Scotia will be adversely affected by a recent serious explosion and fire in the Allan Shaft of the Acadia Coal Company at Stellarton.

STATISTICAL

As a matter of interest I should like to mention, as indicating the importance of the coal-mining industry conducted by this Company, that during the year just past payments for wages, salaries, pensions and the like attained a total of about $25,600,000.

Payments to Federal, Provincial and local authorities for taxes, royalties, Workmen's Compensation and Unemployment Insurance reached a figure in excess of $2,800,000; while materials, supplies, &c., involved an outlay of some $14,500,000.

As at December 31st, 1949, payrolls of the Company and its subsidiaries covered 10,140 employees and the register of shareholders showed a total of 1902 individual shareholders.

In closing I should like to assure the shareholders that no effort will be spared to conduct the operations of the Company efficiently and economically.

On behalf of the Board of Directors I should like to emphasize our appreciation of the loyalty and ability of officers and employees of the Company.

I am satisfied that both in competence and morale the entire organization has never shown to better advantage and with continued co-operative effort and the added facilities which the mechanization program will afford us, we may look forward, I think, with confidence to an assured future for the industry.

INVESTMENTS THIS WEEK

Canada Refunding Loan Expected to Spark Market

Investment interest in Canada this week was centred on the new $745 millions Government of Canada refunding loan whose terms were announced on Monday.

Both the short and the long term bonds of the issue were priced "right on the market," most investment dealers felt. The bonds were not considered a gift for anyone but were expected to sell well.

A highly successful loan is expected for several reasons. The loan, although larger than prewar loans, is not a large operation when it is considered that proceeds are entirely for refunding. The Canadian high grade bond has grown substantially during the war years. There is not much floating supply of bonds around. Bank savings deposits were at a new high level of $4,572 millions at March 31 and some of this money will be attracted to the loan.

The loan consists of two issues:

(1) 4½ year 2% bonds due Dec. 15, 1954 to be offered at 99.80% to yield about 2.05%. This will be available in denominations of $1,000, $5,000, $22,000 and $100,000.

(2) 18 year 2¾% bonds due June 15, 1967/68 to be offered at 99.50% to yield about 2.79%. This will be available in denominations of $500, $1,000, $5,000, $25,000 and $100,000.

No division of the total amount between the two issues has been indicated. The Government will decide that after the books have been closed. But the approximate amounts of each issue are indicated by the very nature of the operation. All the bonds being refunded are now short term bonds and so a substantial proportion—perhaps close to $500 millions—would likely be in the hands of banks. If this is true, banks may be expected to apply for about that amount of the new short issue. This would indicate around $250 millions of the longer term bonds might be expected to be issued. It was logical and reasonable for the government not to tie its hands until it saw how each issue went.

Early this week the long term issue was quoted $99⅝ bid on the "street." Quotes on the outstanding longer term Government of Canada bonds were unchanged from ealier this month with the 3%'s of Sept. 1961/66 being quoted $102.375 bid to $102.875 asked to yield about 2.70% to the call date.

With the new loan in the offing the bond market has been relatively quiet and inactive for the past couple of weeks. Once the books on the new loan are closed, dealers expect a certain amount of churning around in the market. Further, the relief from the fact that the loan was overhanging the market is expected to spark up the market. A good continuing demand is expected by dealers for the new loan even though it is said fully priced.

• • •

Loan's Commission Rate Disappointing to Dealers

One disappointment to the investment fraternity has been the commission allowed to dealers on the new loan. The commission rates are 15c per $100 on the 2% bonds and 50c per $100 on the 2¾% bonds. Prewar, the commission was usually 75c per $100 on the longer term bonds.

Ordinarily dealers appoint a number of "sub-agents" to cover outlying areas which they could not otherwise cover. The sub-agents get one-half the commission—in this case 25c per $100 2¾% bond sold or only $1.25 on the sale of a $500 bond. The dealer gets the other half. Sub-agents can't exist on this low rate, dealers feel.

Further, dealers have to pay for advertising expenses and servicing charges on the loan. In many cases they will lose money on the sub-agents business, it is felt.

As organizations have already been set up, this is not likely to affect the present loan, but it may work against the successful operation of sub-agents in future distribution schemes.

• • •

Western Grain Co. Strength Said Based on Sale Hopes

Recent strength in the common stock of Western Grain Co. is said based on the hopes that something will come of expected negotiations for sale of the company, The Financial Post understands.

Early this month President W. A. Cruse advised shareholders that negotiations would commence within a few days "which may result in an offer being made to both the preferred and common shareholders for their stock . . . I wanted you to know of this at once so that you would not dispose of your stock until the result of these negotiations (which will take some time) are known. As soon as anything definite is known I will write all the shareholders again," Mr. Cruse stated.

Western Grain common sold at $2.50 a share on May 10, and $1.50 a share on May 5 and $1 a share on May 3 as compared with 75c a share on April 14. The preferred stock had not traded on the Canadian stock exchanges up to the first of this week this year.

JOHN S. DINNICK

whose election to the Board of Directors of McLeod, Young, Weir & Company Limited has been announced. Mr. Dinnick has been associated with McLeod, Young, Weir & Company Limited for seventeen years, laiterly in the capacity of General Sales Manager.

EMPLOYEE BENEFIT PLANNING— WITHOUT PREJUDICE

Since we are absolutely independent experts in employee benefit planning, we are able to create the most appropriate type of such plan — self-administered, trusteed, reinsured. Our 22 years of experience in pension and employee benefit planning has been of service to governments, employers, trade unions and other groups. For these clients we have designed new plans, improved existing plans, determined costs, obtained government approval, instituted records and procedures — in fact have given a complete service. Your inquiry is invited.

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WILLIAM J. COHAGAN

second vice-president, Prudential Insurance Co., Newark, N.J., has been named to the executive staff of the company's Canadian head office to be opened in Toronto in the fall.

New Gas Plant Will Conserve Wasted Gases

A new development in Alberta's rapidly growing petroleum industry got under way recently with official opening of Imperial Oil Co.'s $4-million natural gas processing plant at Devon in heart of the Leduc oilfield. The new plant is part of a $5.5 million project to help conserve and utilize natural gas, wasted until now, in the Leduc-Woodbend fields.

Approximately 90% of the plant's production will be "dry" gas which can be used for domestic or commercial demand. When in full operation the unit will also produce several hundred barrels per day of "natural" gasoline suitable for blending with refinery stocks into motor gasolines. The unit is designed ultimately to process 24 million cu. ft. of gas daily, but initial capacity will be about 17 million cu. ft.

Another product will be "liquefied petroleum gas" (propane). This product is being widely used as a domestic fuel in many areas and the new plant will substantially increase the available supply in Western Canada. Butane will also be extracted and made available to the commercial market as gas enrichment material, as a solvent, or as a special engine fuel.

In the Leduc field, as in most others, gas is dissolved in the oil underground and comes to the surface with the oil. It is separated out at surface, but is not suitable in its raw form for commercial use. The new plant is designed to save a great part of the gas by converting it to useful products.

At present there are 58 miles of gathering lines ready for operation and it is estimated that there will be about 90 miles of gathering lines when the field is fully developed. The gas will be piped to Edmonton through 8-in., high-pressure line by Northwestern Utilities Ltd., which company has completed an agreement to buy most of the gas.

Inter. Paper Net Profit Up First Quarter

MONTREAL (Staff) — First quarter operations of International Paper Co. were at a high level, President John H. Hinman told shareholders at the annual meeting last week.

Net profit for the quarter was $16,295,248 ($13,814,831 in the same period a year ago), equal to $2.26 ($1.91) per common share. Total income was up $4 millions at $115.7 millions, the increase divided about equally between higher gross sales and increased other income. Improved "other income" is due largely to profits on exchange due to the devaluation of the Canadian dollar.

Earnings in 1949 were off somewhat due to generally lower prices and lower volume, only in 1947 and 1948 had they ever been higher, Mr. Hinman noted. High volume in past three years has resulted from the plowing back of earnings and favorable market conditions.

First quarter 1950 operations were at a high level; the third quarter normally shows a drop in volume and profits.

Company is concentrating its expansion in fields in which it can get substantial volume and where there are growth possibilities, the president stated. He cited paper containers for foods—particularly liquids like milk — which have become an increasingly large part of its tonnage. Company believes there is a trend toward buying milk at stores which, it feels, means a strong long-term demand for paper milk containers, especially from chain stores and super markets.

Mr. Hinman drew attention to various phases of the company's operations. On its research program depends its efficiency today and its security tomorrow. Forest management has eliminated waste in handling of tree crops. Use of a wider variety of trees in its mills has taken the strain from special species, improved harvesting efficiency.

At Causapscal, Que., and Phillips Brook, N.H. company is testing out on large tracts several theories on growing and harvesting trees, with the objective of perpetual supply and efficient costs in mind.

Company's new mill at Natchez, Mississippi is scheduled to open June 1 to produce dissolving pulp by a new process developed jointly by the Southern Kraft division and Industrial Cellulose Research Ltd., at Hawkesbury, Ont. Company foresees a strong, long-term market for dissolving pulp, and intends to maintain its strong position as a source of supply in this market, Mr. Hinman said.

Econ. Inv. Trust To Offer Stock

Shareholders of Economic Investment Trust Ltd. of record May 20, 1950 are to be given the right to subscribe to one common share, par $25, for each four common shares then held at a price of $40 a share, the company announces. The company is issuing an additional 10,000 common shares which will bring the number of issued and outstanding common shares up to 50,000 shares.

Recent sales of the stock have been at $53 a share.

Shareholders will also be given the privilege of applying for extra shares over and above the amount of stock which they are entitled to subscribe under the rights in the event that any small balance of the shares being offered remains unsubscribed.

The rights will be listed on the Toronto Stock Exchange and will be called for trading on May 22, 1950. Rights will expire on June 13. Share subscription warrants and circulars advising fully of the offering will be mailed to shareholders on May 23, 1950.

Concurrently with the stock offering through rights, the trust is issuing an additional $250,000 first collateral trust 3% bonds due 1964, which have been sold privately through Cochran, Murray & Co. This will bring the amount of this issue outstanding up to $1,250,000.

Model House Completed For Better Homes Show

Built and furnished expressly for display, a new six-room house by the Toronto Metropolitan Home Builders' Association features Toronto's second annual Better Homes Exhibition, opening this week in the city's Canadian National Exhibition grounds. Sponsors of the show (May 19-27) are the Toronto association and National House Builders' Association.

Similar exhibitions were staged recently in Vancouver and Winnipeg. Toronto's will be followed by one in Montreal.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

FLASH FASTENERS OF CANADA LTD. reports a 1949 net profit of $8,299, against $10,255 in 1948.

While sales increased, selling expenses and wages were also higher. In addition, it was necessary to supply more expensive materials to meet competition and devaluation of the Canadian dollar increased costs.

The company states that it expects to be able to purchase its metal requirements in Canada by July 1, 1950 and thus overcome the increase in metal costs.

During the year, three new sizes of fasteners were added, bringing the total to six. Sales for the first quarter of 1950 show "considerable improvement" over the same period in any previous year.

The company is increasing the price of certain lines.

INCOME ACCOUNT

Years Ended Dec. 31:	1949	1948
Net earnings	$39,080	$51,602
Less: Deprec.	25,464	32,929
Patent amort.	2,428	2,428
Income tax	2,889	6,070
Net profit	8,299	10,255
Less: Pref. divd.	17,225	unstated
Deficit for year	8,926	......
Earnings per Share and Dividend Record:		
Preferred	$0.48	$0.59
Paid	1.00	1.00
Common	d0.18	d0.14
None paid.		

CONDENSED BALANCE SHEET

As at Dec. 31:	1949	1948
Cash	$475	$10,970
Accts., etc., rec.	81,278	63,237
Inventories	273,800	221,914
Total curr. assets	355,553	296,121
Misc. assets▲	25,272	33,567
Fixed assets*	288,773	283,279
Total assets	669,598	612,967
Due bank	65,151	......
Accts., etc., pay.	64,495	55,681
Total curr. liabs.	129,646	55,681
Capital stock	369,600	371,400
Earned surplus	170,352	185,886
*After depr. of	130,398	102,506
▲Incl. ref. EPT	20,002	31,889
Working capital	225,907	240,440

MAXWELL LTD., St. Mary's, Ont., shows a consolidated net profit of $82,463 for the eight months ended Dec. 31, 1949, against a non-consolidated profit of $111,347 for the 10 months ended April 30, 1949. In future, the company year will end Dec. 31.

Consolidated net sales for the period totaled $1,927,580; those of the parent company were $1,499,387, up 11.7% from the same period of 1948. President H. W. Maxwell states that the eight months May to December is not the parent company's best sales period; normally sales are at a much higher rate in the first four months of the year. Coupled with this, he says, expenses in connection with vacations and inventory periods were substantial and are usually spread over 12 months.

Sales to date in 1950 are "good" and are expected to continue for some months at least. Power mowers have sold well and it is anticipated that clothes dryers be manufactured by the company this year.

At May 1, 1949 all the outstanding shares of Butler Metal Products, Preston, Ont., were acquired.

	8 Mos. ended Dec. 31 ■1949	10 Mos. ended Apr. 30 1949
Net sales	$1,927,580	$1,934,949
Net earnings	243,424	241,523
Less: Deprec.	35,187	29,804
Loss on assets	▲2,011	309
Bond int.	34,867	22,169
Bond Disc. & exp.	15,500	......
Taxes	77,328	77,894
Net profit	82,463	111,347
Less: Dividends	25,000	26,250
Surplus for year	57,463	85,097

▲Profit.

■Consolidated.

Earnings per Share and Dividend Record:		
Common	$0.82	$1.59
Paid	0.25	0.37½

CONDENSED BALANCE SHEET

As at:	Dec. 31 ■1949	Apr. 30 1949
Cash	$210,108	$38,813
Accts., rec., less res.	163,042	231,854
Note rec.	19,462	......
Inventories	479,772	279,467
Total curr. assets	872,384	548,934
Deferred chgs.	13,368	5,789
Prepaid exp., etc.▲	20,217	13,601
Bond disc., subsid.	48,000	......
Fixed assets*	891,089	513,661
Total assets	1,845,058	1,082,983
Bank loan	16,800	5,000
Accts., etc., pay.	170,577	116,661
Inc. tax	51,340	68,000
Total curr. liabs.	238,717	189,661
Employees' res.	5,406	9,225
Funded debt	913,500	525,000
Capital stock	398,503	274,003
Capital surplus	146,372	......
Earned surplus	142,560	85,096
▲Incl. ref. EPT	14,130	4,327
*After deprec. of	189,323	29,804

■Consolidated; includes Butler Metal Products Ltd., acquired May 1, 1949.

Working capital	633,667	360,273

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There is no safer place to keep money—and you can get cash quickly when you want it.

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Government of Canada
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Due: June 15th, 1968
Callable at 100 on or after June 15th, 1967
Denominations: $500, $1,000
Price: 99.50 and accrued interest

Note Carefully:
If you own First Victory Bonds—
The Government has called First Victory Loan Bonds for redemption on June 15th. Interest stops on that date so be sure to arrange to cash your bonds and reinvest in the New Canada Bonds. Prompt reinvestment avoids loss of interest.

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Regina Edmonton New Westminster Victoria
New York Halifax Quebec London, Eng.

MODERN CONTAINERS LTD. 180 class "A" shares have been converted into Common on a share for share basis, reducing number of class "A" outstanding to 49,820 and increasing number of common outstanding to 50,180 shares.

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MANAGED INVESTMENT

MacNab Makes Stock Switch To Buy No More Com. Now

On April 19, 50 shares of Famous Players Corp. were sold and 25 shares of Power Corp. of Canada purchased for the MacNab investment account. MacNab's investment manager says the market has reached a point where no further purchases of common stocks will be made, other than in switching operations.

The MacNab Account Transactions

No. of Shares	Security	Price
Purchased		
25	Pwr. Corp. of Can.	$19¼
Sold		
50	Famous Players Corp.	$15

MacNab's Manager Says:

While I have no doubt that the dividend will be continued on Famous Players, I feel that greater possibilities for capital gain are apparent in Power Corp. of Canada. The annual report of the company for the year 1949 discloses an increase in value of their investment holdings of $2,343,819 over the previous year and totaled $29,755,819 at end of 1949. After deducting outstanding debentures and preferred stocks amounting to $15,700,000, the balance remaining represented a net asset value of over $30 a share on the common stock. The company has also increased the dividend from 80c to $1 per annum with a declaration of a dividend of 50c per share on the common, payable June 30, 1950.

I have also added to your holdings recently 75 shares of Home Oil Co. at $13⅛, purchased on April 5. Subsequently to this purchase, Home Oil shares have been re-listed on the Toronto Stock Exchange, which provides a better market. Home Oil is the second largest producing oil company in Canada and had a gross revenue of approximately $6 millions in 1949. I feel that these shares are definitely undervalued in relation to the market value of other oil producing companies in Canada, and this should ultimately be reflected in some appreciation in the value of these shares, which are now quoted at $15¼.

As mentioned in my last letter to you, you now hold $8,000 par value in bonds, (representing approximately 45% of the total value of your investment account) of which $5,000 are invested in Canada Savings Bonds, redeemable on demand; and $3,000 in convertible debentures, which provide a more attractive income, plus an option to convert into the common shares if the conversion privilege is to the advantage of the bondholder.

I feel that the market has reached a point where no further purchases of common stocks will be made for your account other than switching operations which, in my opinion, would improve your position either from the standpoint of income or safety. The account continues to be operated under the control plan explained in an earlier letter.

New Financing For Milton Brick

Under a financing arrangement with H. H. Prittie a block of 40,000 shares of Milton Brick Co. stock has been purchased for $1.25 a share and an option taken on another 60,000 shares at the same price, 30,000 exercisable up to June 15 and 30,000 to July 15. The money is being used to pay off a small bank loan and for certain capital expenditures.

Questions

When you consider the appointment of an executor you ask yourself two questions. Who can most efficiently administer my estate; who can best guide and assist my family in the business and personal questions that will be involved? This trust company can help you on both counts; it has the technical knowledge and experience required to manage your estate under the exacting conditions of today; it will give personal service to your family. They can count not only on being kept in close touch with the administration of their estate but on assistance in meeting any problems which arise in connection with it. We invite your inquiries.

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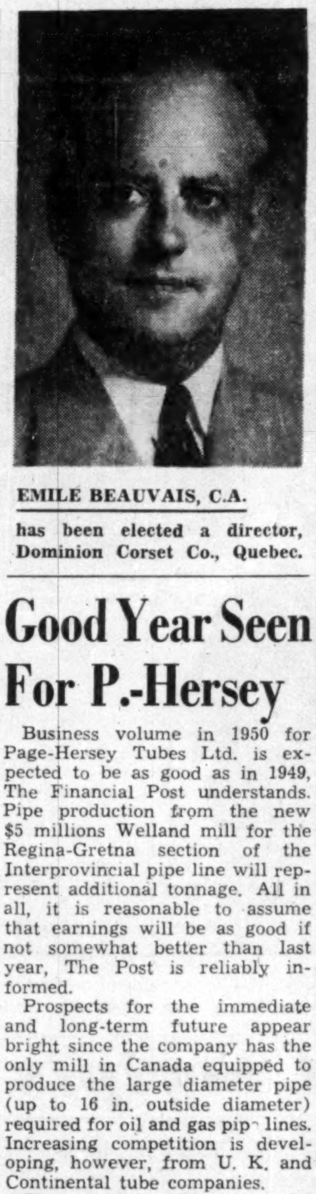

EMILE BEAUVAIS, C.A.

has been elected a director, Dominion Corset Co., Quebec.

Good Year Seen For P.-Hersey

Business volume in 1950 for Page-Hersey Tubes Ltd. is expected to be as good as in 1949, The Financial Post understands. Pipe production from the new $5 millions Welland mill for the Regina-Gretna section of the Interprovincial pipe line will represent additional tonnage. All in all, it is reasonable to assume that earnings will be as good if not somewhat better than last year, The Post is reliably informed.

Prospects for the immediate and long-term future appear bright since the company has the only mill in Canada equipped to produce the large diameter pipe (up to 16 in. outside diameter) required for oil and gas pipe lines. Increasing competition is developing, however, from U. K. and Continental tube companies.

The pipe for Interprovincial Pipe Line Co. is about 50% shipped and the company hopes to complete manufacture by end of July or early August. Currently three shifts are operating seven days a week to speed completion of order. Last year, record sales and earnings were experienced, share earnings amounting to $2.98 as compared with $2.28 in 1947.

P. L. ROBERTSON MANUFACTURING CO.: An additional 70 shares of cumulative convertible redeemable preference stock have been converted into common on a one for one basis, reducing number of preferred outstanding to 5,142 and increasing common outstanding to 60,295 shares.

Town of Mount Forest
DEBENTURES

Sealed tenders will be received by the undersigned up to 5 p.m. (D.S.T.) on May 29th, 1950, for the purchase of $200,000.00 Town of Mount Forest 3½% Debentures, repayable in 20 equal annual instalments in Canadian funds at the Bank of Montreal, Mount Forest, Ont. Issue is for Sewer Extensions and has been approved by Ontario Municipal Board. Last year only callable. Highest or any tender not necessarily accepted.

A. J. KEAIS,
Town Treasurer,
Mount Forest, Ontario.

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Big Mechanization Program At Dominion Coal Approved

MONTREAL (Staff) — Dominion Coal Co.'s proposed $13-million mechanization program was given the green light last week as preferred shareholders unanimously approved company's plan to borrow $7 millions from the Federal Government, and a further $5½ millions through issue of additional first mortgage bonds.

Expenditures under the program will be for new mechanical miners, mechanical loading equipment and wash plants. Their aim: To keep Nova Scotia coal on the fuel map.

"The inroads recently made upon our markets by oil and other competitive fuels make it imperative, for the preservation of the industry, that real reductions in cost of production be achieved," President L. A. Forsyth told the meeting.

Sees Business Expansion

Company and Dominion Coal Board experts are agreed that such reductions can be obtained by the proposed scheme, he said. "I believe that this project will restore coal as a fuel and an energy producer to a truly competitive position, and enable us to retain and expand our present markets and probably regain the business of consumers who have discontinued the use of coal in favor of other fuels."

Mr. Forsyth pointed out that the mechanical miner now in operation underground is giving a "remarkably satisfactory performance." Improvements in construction and design have been developed during its operation, and further machines of this type, as constructed, will embody these changes. Both the efficiency and productive capacity of the present machine have met with approval from company engineers and outside experts.

The machine was built in the plant of a wholly-owned subsidiary, Trenton Industries Ltd., at Trenton, N.S. The new ones will be constructed there as well.

Four-Year Program

The mechanization project is scheduled for completion in four years, Mr. Forsyth said. Under the terms of the government loan, advances will be made from time to time to the company to the extent of two thirds of the amount of expenditures actually incurred on the project, the total of all advances not to exceed $7.5 millions. Interest rate on the balances outstanding will be 3½%.

The advances will be secured by chattel mortgage upon movable equipment and by real estate mortgage on immovables acquired under the project. Repayment of principal starts on June 30 of the year following the calendar year in which the last loan installment is made; in any event, not later than June 30, 1955.

Company must make semi-annual repayments on principal of 30c per net ton of coal produced from the mechanized collieries, with full repayment required within 15 years after the due date of the first semi-annual installment. Company may accelerate payments if it so desires.

No common dividends may be paid, and no additional preferred shares may be issued or retired (other than through sinking fund), during the term of the loan without the approval of the Minister of Trade and Commerce.

Capital in Reserve

Preferred shareholders also approved the issue of bonds up to a total of $12 millions under the existing trust deed. Although the company plans spending only $5½ millions of this on the present program, it was felt that the request for authorization of the larger amount was justified because anticipated increased production may require some addition to working capital.

Although there could be $19.5 millions of bonds outstanding at one time, company expects that the total will be considerably less, Mr. Forsyth said in reply to a shareholder's query. The $2,359,500 bonds now outstanding will be retired before long. On June 1, $489,000 will be redeemed at 101; the remainder are due Oct. 1, 1952.

Outlook for both production and disposal of output this year is favorable, the president noted. Overall production in Nova Scotia will be adversely affected by a recent explosion in the Allan shaft of the Acadia Coal Co., another Dosco subsidiary, at Stellarton, he added.

Of 214,399 preferred shares outstanding, 141,801 or approximately 66% were represented in person or by proxy at the meeting. Preferred dividends were in arrears, 38c per share at April 29, after payments of $1.50 in 1949 and 75c so far this year on arrears.

Competition Again Factor In Dosco's Future Profit

MONTREAL (Staff) — After an abrupt changeover which has taken less than six months, the Canadian steel industry is now faced with a strictly buyer's market, in which sales effort, prompt deliveries and price are of the utmost importance, President L. A. Forsyth told shareholders at the Dominion Steel & Coal Corp. annual meeting last week.

Some of the current adverse conditions create greater disadvantage to Dosco than to other parts of the industry, he said.

Freight charges, both on material shipments inwards and finished products outwards, have always hampered profits of company's Maritimes plants, he pointed out. Successive horizontal freight rate increases have exaggerated pre-existing differentials and disturbed company's competitive position in the domestic market.

As for the export market, company was hampered in this field under steel control because prices and destination of its products were fixed by federal authority. Practically all Maritime company's production was required to go to Central and Western Canada. Government brought in assistance in the form of subvention payments to relieve transportation costs, but these were dropped with the ending of steel control. The dollar shortage plus foreign competition at "fantastic" prices have closed virtually every export market, he said.

If company's goods are to be sold in the domestic market, entire cost of transportation will have to be absorbed, along with a proportionate drop in net revenue. Domestic competition has become keener as supply caught up with demand, and foreign competition has begun. Current quotations on many steel products of European origin mean severe competition. It can hardly result otherwise than in a serious disturbance of the Canadian price structure, he held.

However, although there were definite indications of a considerable falling off in business in late 1949 and early 1950, latterly there has been decided improvement. It's still too early to form any definite conclusion, though, as to what ultimate outcome of year's trading will be, Mr. Forsyth said.

Regarding negotiations for sale of 350,000 tons of iron ore to British and German buyers, the deal is being held up by currency difficulties, but while not altogether encouraging, there is still some prospect of a favorable decision.

Railway equipment orders are being placed in very limited volume, and prospects that Eastern Car Co. and Trenton Steel Works can equal 1949 results are dim unless orders are increased substantially at an early date. However, an intensive and aggressive sales effort shows signs of developing new business for its plants at Trenton.

BELL TELEPHONE CO. OF CANADA has issued an additional 11,510 shares under terms of the Employees' Stock Plan. Issued capital is 6,433,325 shares.

COMPANY REPORTS

DISHER STEEL CONSTRUCTION CO. net profit of $123,497 for 1949 was down sharply from 1948's $219,049. A return of more competitive conditions caused a decline in total business received.

President T. E. Bryce states that "unfinished contracts and new orders on hand are at a satisfactory volume and, while no increase over 1949 is expected, the company should enjoy a year of sound and satisfactory progress."

INCOME ACCOUNT

Years Ended Dec. 31:	1949	1948
Net earnings	$223,064	$370,457
Less: Deprec.	21,483	23,515
Inc. tax res.	78,084	127,893
Net profit	123,497	219,049
Less: Pref. divd.	16,766	104,058
Com. divds.	24,750	......
Surplus for year	81,981	114,991
Earnings per Share and Dividend Record:		
A Pref.	$11.43	$18.95
Paid	1.50	1.50+7.50*
Common	4.74	8.96
Paid	1.10	....

*Arrears.

CONDENSED BALANCE SHEET

As at Dec. 31:	1949	1948
Cash	$500	$13,620
Accts. rec.	306,653	454,137
Inventories	329,481	198,603
Total curr. assets	636,634	666,360
Prep. exp.§	1,580	......
Misc. assets▲	2,291	6,336
Fixed assets*	76,626	54,781
Goodwill	200,000	200,000
Total assets	917,131	927,477
Bank loan	57,602	......
Accts., taxes, etc.	252,625	370,600
Total curr. liab.	310,227	370,600
Pref. red. res.	10,726	12,894
Capital stock	331,800	347,802
Surplus	264,378	196,181
*After depr. of	304,766	292,826
▲Incl. ref. EPT	2,291	3,783
§Incl. in curr. assets in co's report.		
Working capital	326,407	295,760

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ORLYT
The PREFABRICATED GREENHOUSE

Atlas Steel Earns 23c in 1st Quarter On Common Shares

Net earnings of Atlas Steels Ltd. of Welland, Ont. were $197,687 for the first quarter of 1950 after provision of $69,000 for depreciation and $127,810 for income taxes, according to unaudited figures, the company announces. This is 46.3% lower than the net earnings of $368,096 for the first quarter of 1949 which was after provision for depreciation of $78,300 and for income taxes of $244,748.

Earnings for the first 1950 quarter are equivalent to 23c a share (44c a share in 1949 quarter) on the outstanding 834,425 no par value common shares.

For the year ending Dec. 31, 1949, Atlas Steels had a net profit of $510,666, equivalent to 61c a common share.

Third Reading For Gas Bills

Two of the most controversial private bills in federal parliamentary history received their third reading early this week just a little over one year from first presentation. They were bills of two gas pipeline companies—Alberta Natural Gas Co. and Prairie Transmission Co.—seeking federal incorporation.

The bills had been before the Fall Commons session, the winter session, and then the spring session up to this week. Second reading was given about a month ago when the bills went to special House Committee and then back for full House debate for third reading. The bills have been talked out so many times by opposition members adopting filibustering tactics that new records have been chalked up. Opposition claimed the companies would not use an All-Canadian route.

The bills now go before Senate for final approval. Granting Senate approval—and a much smoother road is anticipated—next step facing gas companies will be hearings of applications to export natural gas out of Alberta by the Alberta Petroleum and Natural Gas Conservation Board. Alberta Natural Gas Co.'s application comes up for hearing on May 29 and Prairie Transmission Co.'s on Oct. 9.

Two other gas companies—Westcoast Transmission Co. and Western Pipe Line Co.—received fast incorporation in April of last year. The Alberta Petroleum and Natural Gas Conservation Board has indicated that it will not make any definite decision on export applications until next fall, at which time it will have heard the applications of the four companies applying for permission to export gas out of the province. Three of the companies—Westcoast, Alberta Natural Gas and Prairie Transmission—are seeking permission to export gas westward to British Columbia and the Pacific Northwest states of U. S. The other company, Western Pipe Line Co., is seeking permission to export gas eastward to Winnipeg and down into Minnesota.

CANADIAN CANNERS LTD.: An additional 517 convertible preferred shares have been exchanged for an equal number of common, reducing convertible preferred outstanding to 231,714 and increasing common outstanding to 262,118 shares.

THE ALLIANCE INSURANCE COMPANY OF PHILADELPHIA

Notice is hereby given that The Alliance Insurance Company of Philadelphia, having ceased to carry on business in Canada and having reinsured its liabilities in Canada as of June 30, 1950, in the Insurance Company of North America which is registered under The Foreign Insurance Companies Act, 1932, as amended, to transact business in Canada, will apply to the Minister of Finance for the release on the 21st day of August, 1950, of the securities on deposit with the Minister of Finance; and that any Canadian policyholder opposing such release should file his opposition thereto with the Minister of Finance, Ottawa, on or before the 21st day of August, 1950.

Dated at Toronto, Ontario, this 15th day of May, 1950.

H. C. MILLS,
Chief Agent for Canada

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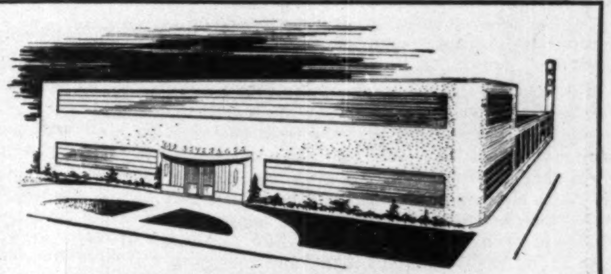
HERBERT H. ROGGE

The Bank of Toronto announces the election to its Board of Directors of A. Bruce Matthews, CBE, DSO, President of The Excelsior Life Insurance Company and Herbert H. Rogge, President of Canadian Westinghouse Company Limited. *



KOP BEVERAGES LTD.

Contract has been granted to J. H. Ross Construction Co., 409 Duplex Avenue, Toronto, for construction of Kop Beverages Ltd. new modern beverage plant, comprising 21,000 square feet of floor space, on the Company's property at Curity Ave., East York, Toronto. The architect, Mr. Ashley Woodburn, M.R.A.I.C., has arranged with the builder for construction to commence immediately.

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Education for Effective Living

Sure-fire argument tinder wherever men and women gather is the subject of education—its purpose, its value, means and cost. There are as many ideas and illusions expressed as there are different styles and qualities of education today—and that's going some.

One of the soundest recent pronouncements on the subject is found in the new autobiography of Dr. Robert A. Millikan, giant of U. S. physics and engineering education for half a century. Says 82-year-old Dr. Millikan: "Education exists primarily to prepare men for actual jobs including that of effective living outside one's job." Thus, in his California Institute of Technology he saw to it that engineering students were exposed to English, history, economics, philosophy and ethics as well as their basic courses in science.

Dr. Millikan is also wise enough to recognize that this kind of education is not for everybody. He realizes that we can only make our educational opportunities equal to the demand if we will steer away from higher education those who are clearly not fitted for intellectual pursuits, and give them advanced training of a manual and commercial type along with an understanding of their opportunities, privileges and responsibilities as free citizens. Many a young person's life has been rendered confused and ineffectual by the wrong kind of education chosen and imposed by ambition-blinded parents; and many another has set out with professional or vocational know-how and no understanding whatsoever of how to live. The latter is at least as important as the former in the instruction of useful citizens, and both are vital to the survival of Canada and our free world.

Our working hours are being compressed into an ever-diminishing fraction of the day. Everyone is "enjoying" more leisure (at least that's the frequent phrase). Few men truly enjoy doing nothing, wasting their precious time in a void of unproductivity. Therefore our education system clearly fails in its duty if it does not send out its graduates with something more than the bare instruction in how to earn their daily bread. Reduced to its essentials, this impoverished kind of instruction is precisely the training any animal or bird offers its offspring.

Industry itself recognizes the need on the part of its workers for a richer, more satisfying life. An insight into the purpose of their production line function makes happier, more efficient workers. It is self-evident therefore that an insight into the greater purpose of individuals in the over-all pattern of modern living is going to make happier, more efficient human beings. It is the great responsibility of our schools and their teachers to inspire all who pass through their influence with the value and purpose of each individual life.

The deep, tap root of democratic freedom is the dignity and value of the individual. The right education for the particular individual can enhance this dignity, magnify its value. Inadequate education in living will inevitably weaken our democratic freedom.

"On Being a Family"

The May issue of the Royal Bank of Canada's monthly letter deals with family life. In a world frenzied with threats of war, economic and political crises, BIG news on every hand, the bank letter chats calmly "On Being A Family." And when all is said and done, what is more vital, more elemental than this basic social unit? Families are the bricks of which a nation is built, and with their strength or weakness it must stand or fall.

But for the family impulse, which is a great deal more than a social manifestation of the biological urge in male and female, where would the banks, insurance companies, all producers and suppliers of the necessities and luxuries of modern life find themselves? Where would the politicians look for babies to kiss and for the social security issues with which to make their most popular appeals? Eliminate the family and one of the Christian churches' strongest links with practical reality would be gone. Not one of our modern activities and institutions but would dissolve into insignificance with the dissolution of family life.

Fortunately there is no reason to fear for the health of this greatest single stabilizing factor in our social, economic and political life. The family is safe; for, although divorces make newspaper headlines and happy homes do not, the facts are these: in the last year of record there were 7,683 divorces in Canada, there were 134,088 new marriages, and 3,042,000 families were living and working, buying and investing, hoping and praying together for the greater glory of Canada and the world.

It's A Puzzling Life

Dear Mr. Combines Commissioner:

You are interested in situations where people in the same line of business charge the same price for identical goods.

Did you see what the city fathers of London—yes, the Ontario one—have just done? With their official approval all London barbers are changing their price from 60 to 75 cents.

And if you want to learn something else, go into a London shoe repair shop. Hanging on the wall is a placard "Official price list, London and District Shoe Repair Association." This, too, had official blessing and sanction.

Yet you hustle some other industries into court with your allegations of industry price agreements.

Are you going after the barbers and shoe fixers and the London city fathers for "co-operating in conspiracy"?

What a puzzling life you must lead.

A Real Way to Help

Dramatic demonstration of what is done for Canadians with money donated to such humanity-serving organizations as the Salvation Army is provided by the Winnipeg flood. The group sprang into action at the first sign of disaster and they will stay on the job, working long hours willingly, for as long as they are needed. For them it's an all-out effort, day and night.

The Winnipeg opportunity for service coincides with the Salvation Army's campaign to raise $1.5 millions for its good work; and while campaign canvassers are making their rounds in the rest of Canada, in Winnipeg the Army is busy running relief bureaus and inquiry services, supplying food and drink to dike workers, washing the sand and sweat from heavy wool dike socks, jumping into the breach wherever a need opens. The national commandant has just flown to Winnipeg to give personal direction to the efforts of his men and women in the flood.

Last reports indicate that the Salvation Army's national appeal was about halfway to its goal by mid-week. Giving generously to the campaign is one way to give material expression to our desire to help our less fortunate fellow Canadians—not only in the time of national disaster but at the manifold times of personal disaster which beset mankind. The Salvation Army cause deserves your attention and help.

Not Meaning to Boast

Boasting is unbecoming to a nation as to a man; but in no spirit of boastfulness it can, perhaps, be pointed out that Canada is pulling her weight in the North American struggle to sustain a free civilization abroad. In a speech delivered in Toronto last week, Consulting Economist Gilbert Jackson brought out some figures that show we are paying our share.

Calculated on a per capita basis, Canada's relative net contributions to the cause, from the outbreak of the second world war to date, work out to $467. On the same basis, the U. S. contributions have been $452, according to Dr. Jackson. U. S. and Canadian dollars are different, and of course, this complicates the comparison; but as percentages of the respective national income of the two countries, Uncle Sam coughed up 3.74% in all forms of aid, and Canada contributed 5.91%.

'In terms of the respective burdens of these contributions on the national production capacities of Uncle Sam and Jack Canuck, it looks as if Jack Canuck's burden has been something like 58% greater than that of Uncle Sam," Dr. Jackson said. "That is the basis of our claim to discuss on equal terms with anyone at all, our joint current task of recreating among, and for the benefit of, the still politically free nations, a fully functioning world market. In this argument, we do not propose to stand down for anybody."

It would perhaps be as well if all our spokesmen to the U. S., official and unofficial alike, kept this note on their cuff.

Where the Money Goes

J. K. Lasser, head of a U. S. accounting firm specializing on periodical publishing firms, recently declared increased advertising rates are necessary to offset soaring costs in the industry.

"Salaries, paper and printing make up over three-quarters of the cost of publishing a magazine or business paper," said Mr. Lasser. Paper costs are 80% higher than prewar; manufacturing costs are 80-90% higher. "For many publications, production costs are now more than double for the same unit quantities," he said.

That these cost figures are comparable for Canada can readily be seen by reference to the annual report of the Maclean-Hunter Publishing Co. (page 1). This shows that 82.65 cents out of each dollar of revenue earned in 1949 was spent on wages and materials. In his report, President Horace T. Hunter pointed out that while the company registered record-breaking revenues of $10,211,900, net profit amounted to $100,587, or a fraction over one cent on every dollar of income.

"We should really have a profit margin of at least 10% of total revenue each year to enable us to build up a sufficient surplus for expansion and to carry on with confidence and assurance that we can meet any conditions which might arise," Mr. Hunter told shareholders. "The newspaper and periodical publishing business has larger fixed expenses than the average business and, therefore, is more vulnerable to changing conditions."

Strength Not Length

The Brockville Recorder observed facetiously the other day that members of the Royal Commission on National Development in the Arts, Letters and Sciences should be paid on a "mileage basis"—because, it is estimated that all the words in all the briefs submitted to Mr. Massey would, if strung end to end, circle the earth with a girdle of verbosity. Perhaps, then, it may be in order to propose in all seriousness that the commissioners should be paid in inverse ratio to length, and only as they are able to shrink the miles of excess verbiage down to readable, usable strength. If they can't boil the millions of words down to some practical meaning, the saga of the Massey Commission will have to be put on that long, long Ottawa shelf labeled "Good Intentions."

It is to be hoped that first-class effort is made to produce a series of popular books or pamphlets out of the ponderous mass of research data inspired by the commission. And the emphasis must be on readability and popular appeal if full value is to be realized on the money the commission has already cost Canada.

A Matter of Some Importance

Are businessmen going to take it lying down when the Toronto Police Commission chastely maligns them, tagging one and all with the questionable sobriquet "wolf"?

Quite rightly the worldly wise commissioners turned down an application for a license to operate a date bureau for visiting businessmen. In registering their disapproval, however, the commissioners dealt unkindly with the reputation of businessmen at large. A morality inspector said plaintively that some models "had run into a good deal of difficulty going out with businessmen."

These well-meaning guardians of the public morals didn't even attempt to confine their mass libel to traveling salesmen—than whom no class has been more grossly libeled across the land. They implied that businessmen, especially when away from home, are never, never to be trusted.

It's enough to touch off a string of family rows from Antigonish to Esquimalt, to link up a chain of divorce actions from coast to coast, even to bring a demand from suspicious wives and cautious daughters for another—saints preserve us—Royal Commission.

Napier Moore's

Scratch Pad

WHAT FOLLOWS is offered as cheering evidence that the Englishman still retains his spirit of Rugged Individualism and his Genius for Compromise, and that he will arise triumphant from his present troubles.

As a preface we might say that several years ago we related to A. T. Wilgress, retired veteran newspaperman, an adventure which once befell us during a visit to England; an adventure involving that ancient Saxon beverage, Mead. Mr. Wilgress was completely fascinated by the subject. A year or so ago he went to England to live. Since then he has faithfully reported to us the results of his own research and all happenings pertaining to Mead, including this month's imperishable classic, the case of Caddick vs. Gayre.

Arthur Caddick is a poet. He lives at Windswept Cottage, Nanclade, near Penance, Cornwall, and has five children. Not long ago he wrote a poem entitled "The Worshipful Makers of Woad." We haven't room for a sample of it, but it's very good satirical verse. It is devoted to the makers of mead and woad and contains a reference to the church.

Poet Caddick submitted the poem to the Cornish Review. It was accepted.

Lieut.-Col. G. R. Gayre is chairman and director of Mead-makers Ltd., of Mead Hall, Gulval. His mead was blessed by the vicar at a ceremony last year. That's where the church comes in. Col. Gayre heard about Caddick's poem, thought it was defamatory, spoke to the editor of the Review, and the spring number came out without it.

Forthwith, Caddick orally published his poem in a Penzance hotel, with the approval of the landlord's wife, "to assert his rights as a free Englishman, not to be silenced by arbitrary authority." Then he filed suit against the colonel, claiming damages for stoppage of publication of his poem by means of a threat and the besmirching of his reputation as a poet.

The colonel filed a counter-claim for defamation of character; asked for an injunction against further publication of the poem.

The case came before Judge Rawlins in the Penzance County Court. Then, suddenly, during the hearing it was announced that a settlement had been reached. And this was the settlement:

Mr. Caddick withdrew his claim. Col. Gayre withdrew his on the poet's undertaking not to publish the poem. As six verses had been read as evidence, the London papers ran them anyway. As a gesture of goodwill, the colonel commissioned Mr. Caddick to write an official mead-drinking song for the approval of Meadmakers. And Canon Buckley, vicar of Gulval, promised to write the music!

The judge said he couldn't imagine a happier solution and ordered each party to pay his own costs.

• • •

WE ARE ALWAYS making belated discoveries that friends of ours possess qualities we never suspected. Last week end's revelation has taken all the starch out of us. We ache all over.

We have known Dr. W. E. Blatz, the medico-psychologist, for almost 25 years and, may God forgive us, have always regarded him as a sedentary sort of fellow. We knew he had a farm in the country, but we regarded this as a touch of whimsy. Having spent a day on that farm we know better.

With their own hands Bill and his wife have rebuilt an old house. With their own hands they have planted many thousands of trees.

Not content with that, they walked us for hours through miles of dense, trackless bush. We scrambled over streams on wobbly logs. We toiled up hills and over fields. We climbed innumerable fences, adorning them with samples of our epidermis. The Blatz's wound up as fresh as daisies. In a week or 10 days we shall take off our hat to them. At the moment, we are so stiff we can't raise our arm.

• • •

HARD-SHELLED BUSINESSMEN who have regarded ballet with a jaundiced eye, deeming it to be rather a pat-a-cake sort of carryings-on, may get a bit of a shock from this financial statement.

The Sadler's Wells Ballet is to return to New York's Metropolitan Opera House in September for a three weeks stay. With seats at a $6 top, capacity for the engagement will be around $275,000 And indications are that by the end of May, four months before the opening, the house will be sold out. "Variety" reports that in 10 days the box office received more than $115,000 in mail orders. Last fall, in a four-week engagement at the Met., Sadler's Wells grossed $254,000.

• • •

THE SOUTH AUSTRALIAN Railways Department is experimenting with a diaphragm installed at the ticket-issuing windows at a local station. It is designed to safeguard employees against infections from passengers to whom they sell tickets. The itchy foot which makes people want to travel is not, of course, an infection.

Stop Me If —

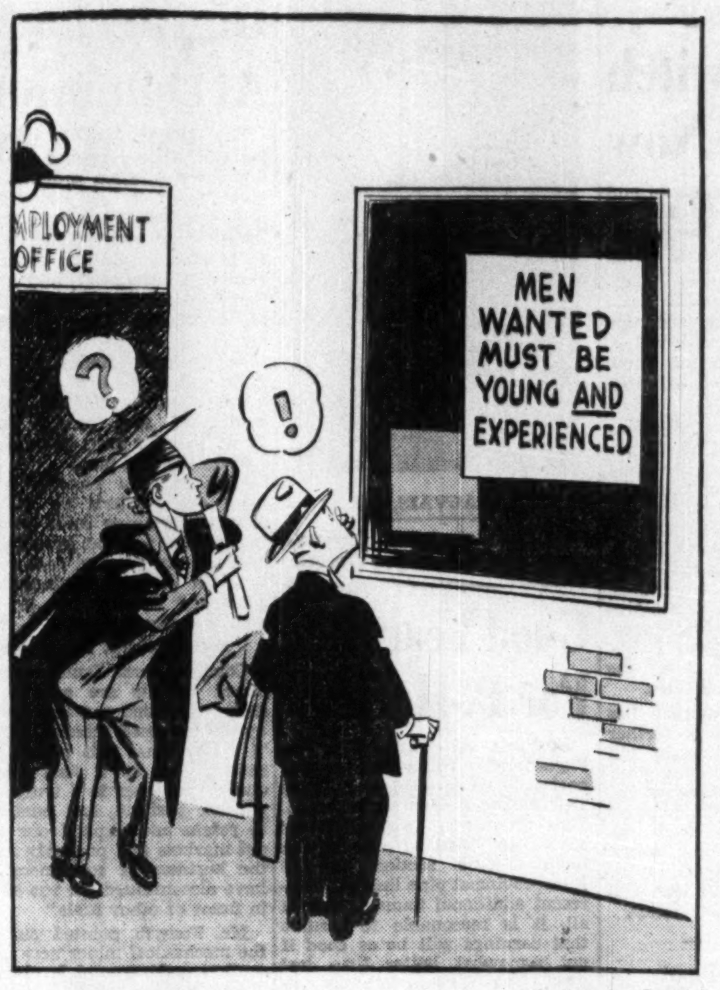
"Dad, why is a man not allowed to have more than one wife?"

"My son, when you are older you will realize that the law protects those who are incapable of protecting themselves."

• • •

A man took his wife to the doctor. He was a simple fellow and had lived in the country all his life.

The doctor placed a thermometer in the wife's mouth. Just before he removed it, the man, who had watched spellbound, being unused to such silence on the part of his better half, blurted out: "Doctor, what will you take for that thing you put in her mouth?"



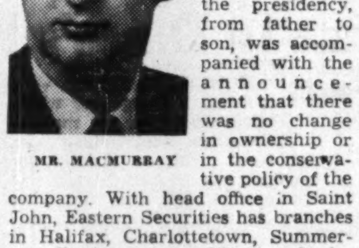
Cartoon by Grassick.

HURDLES FOR BOTH JOB HUNTERS.

Post Scripts

Youth No Handicap

At an age when most young Canadian businessmen are just getting into their stride, 25-year-old James A. MacMurray of Saint John, N.B., is chief executive of one of the largest and oldest investment companies in the Maritimes.



MR. MACMURRAY

Elected president of Eastern Securities Co. Ltd. last month MacMurray succeeded his father, the late James MacMurray, who had headed the company since 1922 and at the time of his sudden death in March was one of the most prominent businessmen in the Maritimes. The changeover in the presidency, from father to son, was accompanied with the announcement that there was no change in ownership or in the conservative policy of the company. With head office in Saint John, Eastern Securities has branches in Halifax, Charlottetown, Summerside, Fredericton and Moncton. It also maintains a large staff of salesmen throughout the three provinces.

Well over six feet and built proportionately, MacMurray is a likeable and typical young Maritimer with a zest for outdoor sports. Born in Saint John in 1925 he graduated from Saint John High School in 1942 and enrolled later that year as a student in the commerce department of Mount Allison University at Sackville. After reaching his 19th birthday he interrupted his studies at the university to enlist in the RCAF.

His war service lasted about a year with the Air Force and then hostilities having ceased he received his discharge in 1945. Having decided to make the investment business his life's work, MacMurray joined Eastern Securities later that year. Under the capable direction of his father and company associates he worked hard for the past five years and made rapid progress. When the vice-presidency of the firm became vacant in 1947 he was elected to fill that position.

Unmarried, MacMurray's favorite sports are golf and curling. He is a member of the Riverside Golf Club and Country Club, the Thistle Curling Club and the Union Club of Saint John. He is also a director of the Saint John Branch of the YMCA and a trustee of St. David's United Church and secretary of the Saint John Y's Men's Club.

• • •

From a Spare-Time Job

It may be possible to pick one of Canada's major cities in which the housing problem is more acute than the others, but one thing is sure, it is serious in most of them. This was the common report at the recent annual convention of the National House Builders Association in Winnipeg.

Headed by a new president, Felix Anthony Mager of Winnipeg, the Association thinks 1950 may be a record home-building year for Canada.

Mager's grandfather emigrated from France to the United States and eventually located in a Winnipeg suburb in 1867. His father is a market gardener in the suburban municipality of St. Vital. Felix Mager, now 44, when a mere lad, got a job with the Winnipeg Electric. When he resigned in 1939 he had been 17 years with the company, 14, as a foreman in the mechanical department.

He started the building business as a sideline. About 1937 he undertook to build four low-cost houses which would pay an interest return at a rent of $25 a month. He did the carpenter work, painting, plastering, decorating, and electrical, in his spare time.

So many requests came from others to build them the same kind of house, Mager made contracts. When he thought he had enough to establish himself in the building business he quit his main job. When his contracts were finished he bought from his municipality an unsubdivided parcel of land for $68 on condition he would service it with sewer and water, gravel streets, cement sidewalks and build houses of not less than $5,000 value. In two years he built and sold 34.

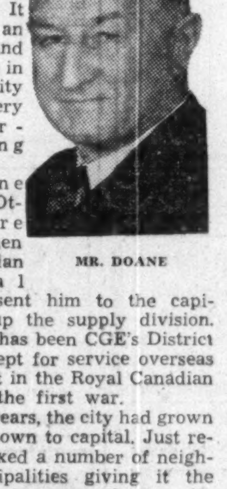
For this project he organized his own excavating and sewer contracting business. He engaged staff to do his own plumbing and heating installations, thus avoiding delays from waiting on subcontractors. His business now has a permanent staff of 35. In the peak of the season's work he has between 55 and 60.

Mager is a past president of the Winnipeg Builders' Exchange. His hobby is trying to grow vegetables better than his neighbors, an outcrop of the days when he used to work in his father's greenhouse. He says he never had any interest in sports. There are two golf clubs close to his home but he is one of the few in the community who has never had a golf club in his hand.

• • •

Speaks for Ottawa Business

Canada's capital city of Ottawa is fortunate this year in having Gilbert J. Doane as president of its Board of Trade. A few years ago this organization had only a few hundred members. Today it has 800 and is heading for the 1,000 mark. It has become an important and effective voice in helping the city through its very considerable growing pains.



MR. DOANE

"Gil" Doane has been an Ottawa fixture since 1912, when the Canadian General Electric Co. sent him to the capital to head up the supply division. Since 1916 he has been CGE's District manager—except for service overseas as a lieutenant in the Royal Canadian Engineers in the first war.

In these 38 years, the city had grown from lumber town to capital. Just recently it annexed a number of neighboring municipalities giving it the second largest acreage of any city in Canada.

The Doane family are Quaker pioneers who came to this continent more than three centuries ago. One branch settled in Newmarket, Ontario, at the turn of the 19th century. A brother of Gilbert Doane is now farming a plot of ground in that community that has been in the family since 1807 — six generations. His mother was UEL stock from Belleville — daughter of Capt. Myers who built the first brick house in Upper Canada.

Gilbert Doane went to high school in Newmarket, then apprenticed himself (in 1904) to the local municipal electrician. In the daytime he wired townsfolk's houses; at night he serviced the primitive community arc-light system.

Instead of accepting promotion to the job of municipal electrician, Doane took a four-year test course with Canadian Westinghouse in Hamilton.

When he was through, he applied for a job in what was to him the more attractive supply field, handled by CGE. He got the job but while waiting for it to materialize he organized and constructed a 3-circuit, 40-phone rural telephone system on Yonge St. in the Newmarket area.

As well as providing driving force for the Ottawa Board of Trade and the CGE in Ottawa district, Doane is presently revamping an old but delightful house where he and his only daughter and three grandchildren will live. In season he's an ardent fly fisherman. He is treasurer of the Lake Bernard Fishing Club which is near his own Gatineau Hills cottage on Lake Bernard. This year he's also president of the Ottawa and Hull Better Business Bureau.

What Others Are Saying

Editorial of the Week

Too Old at 45!

(Vancouver News-Herald)

Heads of industries heard some straight talk from Col. Richard Bell-Irving in the matter of their duty to their older employees.

"What I want to say particularly," he said in his retiring presidential address to the B. C. Division of the Canadian Manufacturers' Association, "is that industry must awaken itself to its responsibility of looking after employees in the higher age brackets up to the age when these employees become pensionable."

The need for some leader to take up this matter is emphasized by the increasing difficulty the National Employment Service reports in its efforts to find jobs for men of 45, or even of 40. Industry seems to consider men of such ages too old. So does the Provincial Government which has adopted an anti-social policy of refusing to employ anyone over the age of 45.

Such a policy, as Col. Bell-Irving asserted, is directly contrary to what constitutes good practice, and if persisted in, may well have serious results.

"It must be realized," he said, "that industry is making ready-made converts to the most subversive 'isms' in our midst by dispensing with a man's service at 45 on the ground that he is too old and sending him home to a wife and possibly a family of teen-age children, who will need little convincing that there is something wrong with the present system. Such a thing can happen and they cannot be blamed for listening to and accepting the promises of some of these 'isms' which promise plenty for all and full employment for everybody of all ages."

Other People's Views

FLOOD CONTROL is a costly proposition, admits the **Saint John Evening Times-Globe**, and it does present even greater problems in flat prairie country than where dams can be easily constructed to store the water in natural reservoirs. "Yet it seems surprising that in all these years the combined engineering brains of Canada and the United States have not devised some means of checking the Red River, which inflicts damage and hardship on both sides of the border when it goes on a periodical spree."

IT IS FITTING that the University of Alberta should be showing the way to Canadian universities by graduating Canada's first class of petroleum engineers this spring, observes the **Edmonton Journal.** "University authorities and the people of the province may take some pride in the fact that the university did not just "jump on the bandwagon" with this new course. Dr. R. M. Hardy, dean of engineering, points out that the university had planned it as long ago as 1942 in the belief that the oil industry would be a major one in Alberta. Such foresight is to be commended, and no doubt the course would have been begun earlier had it not been for the effects of the war."

IT IS WELL ENOUGH to leave a candle burning in the window at Lake Success assuring the Russians that they can return when they are ready to deal reasonably with the United Nations, contends the **Montreal Star**, but it does not approve of Mr. Trygve Lie's carrying the candle to Moscow to give the Russians a better look at it. "The Secretary-General of the United Nations is undertaking his mission doubtless from a sense of duty. He must beware lest he fall into a kind of trap the Russians have so often and so successfully laid for unwary visitors. They will speak him fair and promptly double-cross him, thereby diminishing his stature with his other clients in the United Nations. The fact is that nobody is suffering too much from the departure of the Russians from the councils of Lake Success. We miss the daily diatribes but the world, it seems to us, is functioning just about the same."

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What Will Be Loss in Manitoba Floods?

Business Staffs 50% of Normal As Winnipeg Fights 'The Red'

Six hundred square miles of Manitoba and in the heart of it seven square miles of Greater Winnipeg awash in the Red River's rampage; more than 50,000 homeless; the Federal authorities ready to fly 9,000 a day out of the city — that was the score in Manitoba's disastrous flood situation at midweek.

The crisis wasn't over; nor had it heightened. At midweek the bustling Portage and Main St. centre of downtown Winnipeg stood a scant four feet above the 30 ft. flood crest; some dykes weren't holding up. It was still touch and go though lower down the Red there were signs the flood waters were receding; the report was that the crest had passed Winnipeg and St. Boniface in a "flat curve."

Meanwhile the whole pattern of everyday life and of scores of individual businesses stood disrupted. Trains carried refugees far and wide. What the damage was no one could tell.

Banks expected a greatly increased demand for loans when business was able to think of tidying up the damage, were ready to go "the greatest possible distance" now to help out, were making extensions on loans; insurance and mortgage companies saw a like need to give extensions.

When the full impact could be assessed it was difficult to say. The story to date was fragmentary. Like this:

In Winnipeg cost of flood fighting had gone past $1 million according to the city engineer. Flood damage in the Greater Winnipeg area, estimated Ralph Maybank, M.P. for Winnipeg South Centre, would be greater than the $11.4 millions spent on fighting 1948's disastrous Fraser River floods.

In downtown Winnipeg, many restaurants were closed, as well as theatres. Sanitation suffered from sewer back-ups; Winnipeg's largest sewer pump was moving 2.5 million gallon of water a day; a 15 million gal. per day pump was being flown from Ottawa.

Oil Refineries Hit

Operations at North Star Oil Co.'s Winnipeg refinery were suspended for several days.

Start on Imperial Oil's new Winnipeg refinery has been set back perhaps by as much as six weeks but it is still hoped to complete the job by May 1951. Work on Interprovincial Pipe Line has also been delayed.

For miles along the surveyed route both east and west of the Manitoba terminus at Gretna the land is under water. Roads are flooded or washed out and use of them is denied to heavily loaded trucks. It may be another month before they are open to heavy traffic.

Business was going on in downtown department, jewelry, grocery and other stores; wholesale and retail hardware stores have been moving to upper floors.

C.N.R. has relocated in Winnipeg freight office but traffic is not only normal but has actually increased because of relief supplies, except on lines running through Emerson down to the States.

Transcontinental service was uninterrupted. CPR reports it has brought in 170 extra passenger cars and 60 extra sleepers from western and eastern points.

CNR has been running a shuttle service between Winnipeg and St. Boniface (evacuation of St, Boniface and Norwood were ordered May 14); carried 18,000 passengers in one day; moved 3,000 refugees out of the city on regular trains May 11, 6,500 the following two days to Portage La Prairie, Grand Beach, Victoria Beach, Dauphin, The Pas, Regina and Saskatoon.

500,000 Acres Farmland Hit

Around 500,000 acres of farm land have been inundated. That farm land should produce $15 millions crop but won't unless there's a "miracle" according to provincial agriculture department.

Sugar stocks valued at $20 millions were threatened at the Manitoba Sugar Co. plant near Fort Garry as water surrounded the plant. It would take two weeks and "a great amount of manpower as well as considerable equipment" to remove the sugar to safety, said company manager Harold Aikens.

A 10,000 gal. gasoline tank burst at Emerson. Gasoline slick covered an area east reaching for miles around Emerson. Residents were warned not to light cigarettes, drive motorboats.

For many Winnipeg businesses the story was: staffs rarely 50% of normal, the rest out bolstering the parapet with sandbags; basements kept from flooding only by the steady operation of gasoline pumps, polluting the air with carbon monoxide gas; strong fumes of disinfectant chloride of lime pinching the nostrils and no toilet facilities.

Reports reaching Toronto financial houses indicated that damage to buildings, machinery and inventories in the lower areas would be extensive, although every one without exception stressed the uncertainty that exists regarding the actual amount of damage.

At least some insurance companies are keeping policies in force where the premium date has been passed in addition to ordinary days of grace.

One of the greatest difficulties seen is that it is impossible to ascertain how much damage has been done until the water subsides. Thus no person can tell what damage a foundation has sustained until it is clear of water.

Dark Days For Retailers

Many retailers will be hard hit, it is believed. Public demand is likely to turn away largely from non-essentials, fancy goods, entertainment, etc. to replacement or repair of damaged furniture, and the actual necessities of life. This will in turn back up on the wholesalers. Manufacturers on the other hand may experience a good demand for necessary goods they can supply.

It will take time to clear dwellings and warehouses of the smell of stale water, remove water stains, repair chinks in walls, etc. but that will pass.

One banker whose observation has covered similar occurrences predicted that within a few months time, Winnipegers will be pointing out to strangers where the flood was worst, as an experience extremely unpleasant but now in the past.

Biggest repair bill for buildings will be in houses, especially "lightly built" suburban frame and stucco dwellings, many more than 20 years old. These, incidentally, in many cases are owned by families or landlords least able to bear emergency repair costs, according to on-the-scene observers.

Some newer and more substantial houses of brick or stone on masonry foundations also will be in trouble where foundation ground is light and where soil slumps deeply as floodwater recedes. In many such cases, reinforcement of the foundations with extra concrete footings at perhaps $200 to $500 may be all that's necessary. In extreme instances, outright demolition of the entire house may be indicated.

Inflation Ahead in Services

One or two weeks' flood immersion of the first stories of hundreds of suburban houses is expected to bring inflationary demand for the services of carpenters and plasterers. Old stucco outside and old plaster or wallboard inside, in many cases will have been soaked away from a hold on base materials. Floors and baseboards will be "sprung" from old nails in the process of drying after floodwater recedes.

But newer, more substantial houses and commercial buildings in the area are said to be standing up better. Given a reasonably solid earth-clay foundation — which most have — modern, substantial houses of brick, stone and concrete block will have taken their soaking without too much damage, architects and repair contractors believe.

Here's How, Why Red River Goes on Periodic Rampage

(Continued from page 1)

it flows northward through a country heavily ice-bound in winter. This has a two-fold effect on the height of the water in an early spring flooding. The warm weather thaws the snow on the prairies and brings all the small tributaries rushing into the main stream and loosens, breaks and melts the heavy ice in the stream on the upper southern end and before any thaw begins at the northern end.

"For example: The spring breakup normally occurs at Emerson, two to three weeks later than it occurs at Brekenridge, Minn. The flood therefore moves down the river with accumulative effect, reaching the mouth of each tributary almost at the same time of maximum discharge of that tributary, thus picking up additions one after the other.

"If the whole valley were in the same latitude, the ice would clear from the whole length on the same day or nearly so. But on the Red River, as the flood progresses northward down the river, the rise reaches each successive section of the system before it is entirely clear of ice. Therefore, although the general velocities of the Red have not enough force to pack the ice into a tight dam, the channel is partially dammed or blocked considerably across the width of its surface by the ice which obstructs the flow and retards the velocity along the whole length so much that in several recent years measurements in the United States of the quantity of water flow during the early spring flood have found the water from 2 to 7 feet higher than would have been necessary to discharge the same number of gallons per day later in the season when there was no ice retardation."

What's Been Done?

What has man tried to do about this?

There's an extended report by the U. S. Department of Agriculture which followed the big flood of 1916. But nothing much was done about it.

Then in 1935, the three U. S. states most concerned (Minnesota, North and South Dakota) joined forces and set up an interstate conference which made a report in 1937 through the National Resources Committee at Washington.

Remedial measures as suggested in this report were started in 1939, but the war intervened.

It was not until 1946 that another intensive study was made by the U. S. Corps of Engineers. This report was brought urgently into focus by the bad floods of 1947 and 1948. In 1948, two governors of adjoining states made urgent official pleas that "immediate action be taken to prevent repetition of these disastrous floods."

The U. S. Corps of Engineers has already spent $1.5 millions for flood control works in various parts of the three states concerned. Another $3.3 millions is being spent for the same purpose and a further $12¼ millions has been authorized.

Name International Board

More recently (following the 1948 flood which was especially disastrous to Canadian property), the International Joint Commission entered the picture for the first time. It named a board of six engineers (three from each country) to enquire into this on April 7, 1948.

These engineers have brought in four interim reports — none of which has been made public. The Financial Post is informed that none of these interim reports touches the key problem of what can be done by way of remedial works that will really solve the periodic rampages of this river.

Where do solutions lie?

To date, three possible courses have been suggested by U. S. authorities for the territory in the U. S. These are: — lake storage facilities; channel rectification and evacuation of danger zones.

The last of these has been virtually abandoned as being difficult if not impossible to attain in an area which threatens serious damage only once in 15 or 20 years.

Channel Improvement

In its 19 report, the U. S. Engineers recommended 276 miles of channel improvement—largely in small tributaries of the Red River itself. Also 4.5 miles of levees and flood walls.

Included in this U. S. report are these conclusions: "A review of the flood records in the basin shows that floods of dangerous proportions have been relatively frequent and that a major basin-wide flood might be anticipated on the average about once in 15 or 20 years.

"Widespread flood dangers during recent years preceded by a prolonged period of critically low flows have strongly emphasized the need for comprehensive analysis of the water problems confronting the residents of the Red River basin—the unusual topographical characteristics of the basin have definitely limited possible methods of providing flood protection."

(It must be remembered that one of the equally important problems in the Red River is the extreme low points which periodically threaten economic existence by drying up water supply and threatening sewage disposal and similar projects. These difficulties have played a continuing and probably even more important part in various enquiries in the past.)

The best available summary of what is considered necessary on the Canadian side is set down in a paper prepared a few weeks ago by Mr. Hurst and presented to the Winnipeg branch of the Engineering Institute of Canada.

Mr. Hurst's suggestions get at the root of the modern problem of the Red River — namely that this river now flows through a great modern city — Winnipeg.

The perspective of this changed situation is found in the fact that up until recently the chief hazards of flood conditions in the Red River have affected rural, rather than urban population.

For example: In 1940, the entire population living in the big Red River basin in the United States numbered only 500,000.

Dykes to Protect Winnipeg

Yet today—Greater Winnipeg itself comprises in excess of 350,000 people. And many of these have built homes in the past two or three years in areas which would never have been touched by the old-timers who remembered the 1916 flood.

Thus Mr. Hurst stresses especially dykes and levees — not as being appropriate as a general means of protecting agricultural and other lands but to serve "the protection of a small part of the city from overflow during the few days of highest stage of an extreme flood."

Many of the dykes which held during the 1948 flood were temporary in character and gave way this year. A permanent dyke such as the Norwood Dyke at St. Boniface is looked on as the sort of thing which offers the only real prospect of safety against the recurring disasters of the 1950 rise such as this year.

Mr. Hurst also recommends automatic pumping stations to pump out water accumulated in the sewers during rain storms. But he warns that the sort of plans which the City of Winnipeg itself prepared after 1948 "will protect the city from flooding which has been experienced during the last 60 years but it will not protect the city from inundations which occurred five times in the past."

He also suggests that relief from successive floods may well await the actual results of the protective works now being built in the United States and in Canada along the Assiniboine River.

Mr. Hurst's remarks were made prior to the recent catastrophic rise in the Red valley. In view of what has happened in the past two weeks, it now seems certain that a definite program of flood control and other works will be instigated.

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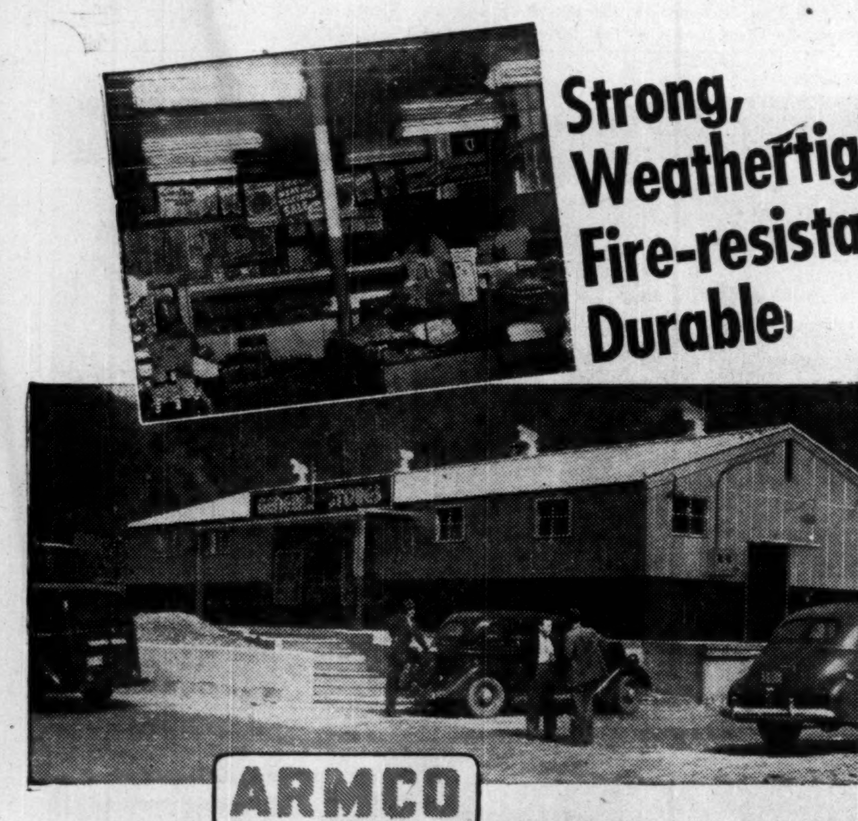

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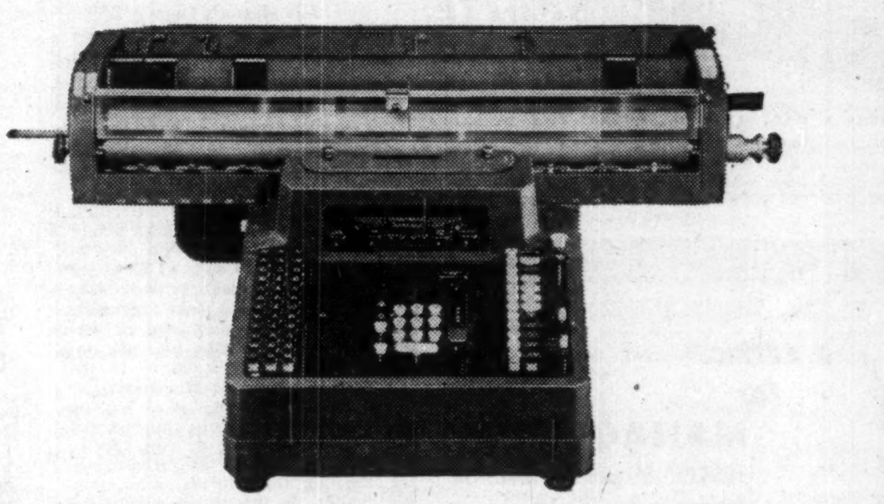

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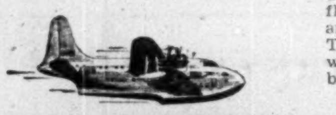
From Auckland, the Sunderlands of New Zealand National Airways Corporation go on to Fiji, whilst flights to the islands of the Pacific are being undertaken daily by Trans-Oceanic Airways Pty. Ltd., with their fleet of Sunderlands based at Sydney.



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U. of Toronto Plans Course In Business Administration

Expanding activities begun in 1937, the University of Toronto this year is creating an Institute of Business Administration, it is announced by President Sydney Smith. Staff appointments will be effective July 1; the course will begin officially with the 1950 Fall term.

Vincent W. Bladen, professor of political economy and director of the Institute of Industrial Relations, will be director of the Institute of Business Administration. His present teaching and research staff in Industrial Relations will be absorbed, and Professor A. W. Currie and Prof. S. G. Hennessey will be among those transferred from the Department of Political Economy. The staff will be strengthened by full-time appointments, particularly in the fields of production and marketing, and a number of professors in related departments will take part in the teaching program.

It is planned to appoint to the teaching staff probably a dozen men of achievement and prestige in the business world. "This would closely integrate the Institute with day-to-day developments in commerce and industry," said Dr. Smith. "The plan is modeled on the system which has proved so successful in the Faculty of Medicine and the School of Law."

With headquarters in the Economics Building at 273 Bloor St. West, Toronto, the new Institute will develop the study of business administration and industrial relations in the School of Graduate Studies. It will be the body responsible to the School for administration of the Master of Commerce degree course, and it will continue the program of the Institute of Industrial Relations.

Plan Expanded Work

"Additional functions of the new Institute," said Dr. Smith, "will include (1) research in business, production, marketing, finance, personnel administration and in industrial relations; (2) development of close contacts with business, government, industry and unions and provision of educational services appropriate to the professional needs of these various groups as they face increasingly difficult problems of administration; (3) co-operation with the Department of University Extension in organizing and staffing such ventures as the Management Conference which is being held from May 29 to June 24 this year, the Certificate Course in Business and other administration courses, and programs of professional training for various outside organizations."

Dr. Smith said the University of Toronto believes in the Harvard dictum, "Administrators are not born; they are made. And they are made by an arduous educational process."

"The seeds of our Institute were sown in 1937," he continued. "At that time the Department of Political Economy took the first steps in a program of serious graduate study in business administration. The war and later the veterans' training scheme interfered with the schedule to some degree but, on the other hand, a real impetus was provided by the Institute of Industrial Relations. Now we are ready to take another long step forward.

For Master's Degree

"In setting up the Institute we have realized the University has peculiar advantages for this work because of the strength of its social science and engineering staffs, and by reason of its location in a highly industrialized area. This location means that valuable resources are available to it, and that there is a demand for its services from a large group of men and women who wish to do serious work at the University on a part-time basis while holding a job. We hope to make it possible for an arts, commerce or engineering graduate to work towards a Master's degree in the evenings and late afternoons."

In addition to studies leading to academic degrees, the Institute will continue the development of various types of "executive training" for those in active administration. In this category falls the second Management Conference which opens May 29 at Hart House and will continue for four weeks. Business executives are accepted for this course regardless of their formal educational backgrounds. Emphasis is placed on discussion of current problems and trends in management and involves consideration of business practices at the general level. The program is aimed at those assigned to general managerial duties and at those who, having reached the top of their special departments, are regarded as future general managers.

Another example of executive training was the one-day conference on Industrial Relations held at the University May 5. A team of teachers and researchers from the Massachusetts Institute of Technology spoke on various aspects of the problem and took part in discussion periods. Enrollment was limited to 200 and many late applications had to be refused.

Evening Conferences

Smaller study groups for business executives such as the evening "group conferences" on human relations organized by the Institute of Industrial Relations will be continued and extended to other areas of business administration. The Institute also will explore the possibility of co-operating in the educational plans of large corporations and trade unions.

"We are convinced," said Dr. Smith, "that the supply of adequately trained personnel for positions of administrative responsibility should not be left to chance. The growing complexities of our economic life and modern organizations are making increasing demands on administrative capacity. We propose to meet this challenge by mobilizing our existing resources and creating new ones to build a leading school of business administration worthy of the attainments and the advances of Canadian commerce and industry."

BANKFIELD CONSOLIDATED MINES advises that no work was done in 1949 on its Long Lac property. The agreement with Magnet Consolidated Mines is still in force and the results being secured by Magnet are "felt to have considerable future importance to Bankfield." The face of the Magnet 14th level (2,180 ft.) shows strong vein and structure but values are low. Proposals are to advance this level into Bankfield ground and carry out some exploration work on it.

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SALMITA CONSOLIDATED MINES reports heavy activity slated for 1950. Further exploration and drilling of known and new ore occurrences will precede shaft work and it is expected that underground development will get under way as the season proceeds. Two discoveries made last season, the Olsen showing and the North Zone Extension showing, will command early attention but work will also extend to the three principal ore zones established in previous work. Finances are assured under several alternative plans under consideration, it is stated.

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DOMINION STEEL AND COAL CORPORATION LIMITED

On the occasion of the Annual Meeting of the Shareholders, which was held at Montreal on May 12, 1950, Mr. L. A. Forsyth, President of the Corporation, made the following address:

I should like first to extend a welcome to those shareholders who have found it possible to attend personally at this Annual Meeting; second, I wish to thank the shareholders whose proxies have been forwarded to the management for their interest and confidence.

The Directors' reports and financial statements which accompany it present the outcome of operations for the year 1949 in what is, perhaps, the most practical aspect; but shareholders of the Corporation will, no doubt, be interested in a brief review of that sort of detail which either does not appear in that report or those statements or can only be ascertained from them by more or less laborious analysis.

In attempting such a review I should perhaps commence by reference to the fact that as a necessary consequence of the Executive changes mentioned in the Report, I am, in a sense, accounting for the stewardship of my predecessor in the office I now hold. If, in any particular I fail to do ample justice to the excellence of his administration, neither he nor the shareholders need look beyond the picture presented by the 1949 results for its complete justification.

FINANCIAL

On December 31st, 1949, the closing of the Corporation's accounts established that during the preceding twelve months the operational output of the Corporation and its subsidiaries had reached the all-time high point of its history, while earnings for the year at $5,252,063.07, equivalent to $5.05 per share on the Corporation's Common Class "B" stock, exceed those of the previous record year, 1948, by over $500,000.00 in the total and by nearly 60 cents per Class "B" share.

The Net Working Capital figure—$34,065,769.35—shows a gratifying increase during the year of $1,561,556.12 over that established at December 31st, 1948.

Funded debt was increased during the year by the issue of $2,600,000.00 in principal amount of Series A, First Mortgage 4% Serial Bonds of Seaboard Power Corporation, the proceeds of which are being devoted to financing the cost of additional generating and distribution capacity for this subsidiary.

During the 1949 fiscal period retirements of Funded Debt in a total principal amount of $838,500.00 were effected while the balance of outstanding deferred payments on properties was reduced by $344,830.35.

The item in Current Liabilities—Bank Loan, Subsidiary Company, Secured—shows an increase of $478,000.00; Special Bank Loan has been reduced from last year's figure by $146,000.00.

DIVIDENDS

Dividends on the Common Class "B" Stock at the semi-annual rate of 25 cents per share, initiated in 1946, continued in 1947 and 1948 with two extra dividends of 25 cents each declared during 1948.

From January 1st, 1949, regular quarterly payments of 25 cents per share were established and with the regular dividend for the last quarter there was declared an extra dividend of $1.00 per share.

NEW SUBSIDIARIES

For some time past the fact that Dominion Steel and Coal Corporation Limited has exercised the functions both of a "holding" and an "operating" company has created some accounting and operating complications. During the year 1949 three new operating subsidiaries were formed to take over properties and operations previously held and conducted by the Corporation—Dominion Iron & Steel Limited; Dominion Wabana Ore Limited and Dominion Limestone Limited.

In the order named these three subsidiary companies have taken over and are now operating the Sydney Steel Plant; the ore mines at Bell Island, Newfoundland, and the limestone quarries at Aguathuna, Newfoundland.

The Corporation now functions as a holding company only.

INGOT PRODUCTION

Overall production of Ingots during 1949 reached the figure of 704,519 net tons—an increase of 8.5 per cent over the production of 1948. Continuance of the shortage in our power supply has again limited ingot production of our Montreal plant. However, both at Sydney and at Montreal production figures continue to reflect an improvement in quantity and quality of output attributable in large measure to the provision of more modern facilities.

WAGE RATES

As was anticipated in the remarks of my predecessor at the Annual Meeting last year, the base labour rate at the Sydney Steel Plant was increased by ten cents an hour to $1.04. Labour rates at all other operating units were increased in conformity with the prevailing pattern in their respective areas of operation.

SALES

Total sales of all products for the year showed a marked increase over those of 1948 both in tonnage and dollar volume.

Selling prices were necessarily advanced as a partial offset to increased costs of materials, labour and transportation. Price controls established early in the war were completely removed during the year but no radical upward movement in prices took place.

The demand for steel products was maintained at a high level during most of 1949 with supply inadequate to meet the situation. A noticeable falling off in business became manifest in the last two months of the year and at present supplies of all steel goods except plates and sheets (neither of which we manufacture), appear to be more than sufficient for market needs.

Export business in manufactured products was maintained at approximately the same levels as for 1948.

STEEL CONVERTING UNITS

Operations of steel converting units continued at a satisfactory level during the year.

With the installation of two modern 25 ton electric furnaces which went into operation at the Canadian Tube Plant last October, our original plans for improvements and expansion at this plant have been completed.

WABANA ORE

Output at the Wabana Ore mines was maintained at about normal operating capacity. Although shipments abroad as compared with 1948 show an apparent substantial decrease; the fact that 1948 shipments included some 205,000 tons produced for Great Britain in 1947, of which delivery was delayed until the following year, obviously distorts comparison.

The arrangements for increasing productive capacity and improving costs at Wabana, to which Mr. Lang referred in his address to the shareholders last year, proved to be impossible to carry through, due to the inability of the other interested parties to obtain the necessary authorization from their Government for the investment of the capital funds required.

SYDNEY STEEL PLANT IMPROVEMENT PROGRAM

The new coke ovens at the Sydney plant are now completed and in operation. The properties of the Corporation have been well maintained; but there is a real and pressing need for the replacement of outworn and obsolete equipment in certain departments of the Sydney plant and for the provision of more modern facilities in the interest of greater productive efficiency and less costly operation.

The management has had under consideration and has approved a program of capital improvements leading to the objectives just mentioned and orders for equipment included in the initial stages of the program have been placed. This program contemplates a progressive schedule in which replacements and additions will be provided in order of their urgency. It has been drawn up so that, within the limits of practical possibility, expenditures can be correlated to the availability of the necessary funds for financing them without impairment of a sound working capital position.

CORPORATION STATISTICS

As at December 31st, 1949, the Corporation's shares were held by 6,651 shareholders, resident in twenty-three different countries. On the same date the payrolls of the units included in the Consolidated Statements of the Corporation showed a total of 15,892 employees.

During the year 1949 the Corporation and its wholly owned subsidiaries disbursed for

(a) wages and salaries	$41,000,000.00
(b) materials and supplies	43,000,000.00
(c) Federal and Provincial taxes, Customs duties, Workmen's Compensation, Royalties and Unemployment Insurance	6,900,000.00

CURRENT OUTLOOK

You will, doubtless, have observed that during my brief review of matters arising during the year 1949, I refrained from any comment in the nature of a forecast of events in the year now current.

To assess the prospects for the year 1950 is a matter of some difficulty. With the close of 1949 the steel industry in general and this Corporation in particular faced the conditions arising out of a most abrupt transition from an economy in which a shortage of supply set the pace of productive effort, and in which competition played relatively no part in the placing of products in the domestic market.

Today our goods must be placed in a strictly buyers' market. Sales effort, despatch in deliveries and price are now of utmost importance in contrast to their insignificance under conditions obtaining less than six months ago.

Of those adverse conditions which this Corporation must face in common with its Canadian competitors there are some which create greater disadvantage to Dosco than to other units of the industry; and I should be completely lacking in candor if I failed to mention their existence at this time.

It is a matter of common knowledge that heavy transportation charges on inward shipments of materials and outward shipments of products to and from our Maritime Province plants have from the earliest days of our operations there constituted a serious handicap to profitable outcome of those operations.

Successive recent increases in freight rates have reduced the net return from our production; and the application of the so-called "horizontal percentage" has exaggerated the pre-existing differentials with a corresponding disturbance of our competitive position in the domestic market.

During the period of "steel control" when not only the prices of our products but their market destinations were fixed by Federal authority, our exclusion from the export field and the requirement that practically all our Maritime production find its ultimate markets in central and western Canada brought into being the policy of Government assistance by way of subvention payments to relieve against the heavy cost of transportation.

Today "steel control" no longer exists and with its cessation the subvention policy and the payments accruing from that policy have been discontinued. The combination of dollar shortage abroad and the competition of goods from foreign sources at fantastic prices have closed virtually every export market.

The inevitable result of this state of affairs is that if our goods are to be sold, as for the present they must be, in the domestic market, we shall be obliged henceforth to absorb the entire cost of transportation with a proportionate decrease in net revenue returns.

Competition among domestic producers has naturally become keener as supply has caught up with demand; but products from European manufacturers have begun their re-entry into the Canadian market.

Current quotations on many steel products of European origin indicate that we are now facing severe competition which, it would seem, can hardly result otherwise than in a serious disturbance of the Canadian price structure.

In the face of such conditions any prospect of increased costs is necessarily alarming. While labour relations at all plants have throughout 1949 and to date this year been at a high level which is reflected in increased efficiency and maximum co-operation, the question of wage rates has recently been brought into sharp focus by reports of arrangements concluded elsewhere.

Wage negotiations are now current at our plants at Sydney, Trenton, Walkerville and Ojibway and in two of these locations, at least, it appears inevitable that resort will be had to the Conciliation services of Provincial Labour Departments before settlement can be reached.

At the Canadian Tube plant the Union has refused to accept the majority award of an Arbitration Board rendered late in March but no work stoppage has yet occurred.

As previously intimated, in late 1949 and early 1950, there were definite indications of a considerable falling off in business. I am glad to report, however, that latterly there has been decided improvement but it is, I think, too early to form any definite conclusion as to what the ultimate outcome of this year's trading will be.

There are two matters of considerable importance which should be mentioned at this time

First, we have not as yet been able to obtain any orders for export ore. Negotiations are still in progress with British and German buyers for a total quantity of 350,000 tons. Our principal problem in this situation is the inability of foreign purchasers to find the required currency. I would hesitate to say that the status of the negotiations is encouraging; but at least there still remains some prospect of a favourable decision in both quarters.

Second, orders for railway equipment, freight cars and axles in particular, are being currently placed in very limited volume; and unless these orders are substantially increased at an early date prospects for operations at the Eastern Car Company and Trenton Steel Works in any way comparable to those of last year are, to say the least, somewhat dim.

Comparison of the unfilled order position at this time with that of last year is somewhat difficult due to the fact that substantial shipments made in early 1949 represented a carry-over from business taken in the previous year; while in the closing months of 1949 the utmost effort was made to reduce inventories of manufactured products to the lowest possible level by December 31st.

It is gratifying to note that an intensive and aggressive sales effort shows signs of developing new business for our plants at Trenton.

The conditions to which I have briefly referred as unfavourable are, of course, a challenge both to the operating and the sales force, and I feel confident that their response will be immediate and effective. Efficiency and economy must be the watchwords of the former, while the latter must thoroughly canvass and explore all available markets. I have been greatly gratified by the loyal co-operation of every member of our organization and I find it most agreeable to record with the shareholders of the Corporation a most sincere tribute to the high competence of our officers and personnel.

It is, I think, fitting that I should close these remarks with a word of grateful appreciation of the continuing support extended to me by my predecessor in office, the present Chairman of the Board; and also that I should add a comment called forth by the resignation of Mr. Arthur Cross, formerly President and latterly Chairman of the Board.

The retirement of Mr. Cross from office in the Corporation removes a notable figure in its history, to whom in no small measure the credit is due for the sound financial position which the Corporation has attained and whose character and qualities have contributed greatly to the creation of the esprit de corps and high morale which pervade the organization from top to bottom.

Their Season Just Starting

Sydney Oakley — Alfred Cregson — John Paterson

Hockey Stick Manufacturers Getting Ready for Next Fall

So you think the hockey season is over?

For a small company on the outskirts of Toronto it's only starting. They manufacture hockey sticks, and they're just beginning to book their orders for next fall.

Like most of those who use their equipment, they didn't like the weather in Eastern Canada last winter. The cold weather was too late in coming, too uncertain when it did come.

As a result, the partners of Gregson Manufacturing Co. are a little hesitant about committing themselves as to next year's prospects. Some of their big accounts, which ordered sticks by the thousand dozen last season, still have many unsold due to the mild weather. This backlog will be reflected in a reduction in next year's orders, they expect.

But the partners are not worried. They have built up a good business from nothing in four years — having produced 65,000 hockey sticks in the year to Sept. 30, 1949, and another 41,000 in the six months to the end of March, 1950. They have applied for incorporation and are waiting for their charter.

Who are the Gregson Manufacturing Co.? How did it get started?

When it was formed in September, 1946, there were four partners: Ernest E. Gregson (now retired), Alfred F. Gregson (his son), John A. Paterson and Sydney Oakley.

Ernest E. Gregson has been a cabinetmaker all his life. Before the war his son, Alfred, now 46, worked with him. When war broke out, Alfred went to technical school in the evenings and learned the metalworking trade and then went in the machine shop of Small Electric Motors, Leaside. He was there from February 1942 to July 1945 when he returned to cabinetmaking.

At Small Electric, Alfred met Jack Paterson, 40, who had been a machinist before the war and was with Small Electric from 1940 to December 1945 (when it was sold out). He lived near Gregson and they became friends.

Sydney Oakley, 47, was for 20 years prior to 1938 in the building construction business with his father, then was in building supply business for three years and with Hamilton Gear & Machine Co. from 1941 to 1945.

Try Bakelite Blade

In the spring of 1946 a promoter was talking to Oakley about the difficulties of making a hockey stick with a bakelite blade. He took him to see the Gregsons and they all became interested in experimenting with the gluing of bakelite to wood to make hockey sticks. The promoter left but the four friends were so far into the problem — financially and otherwise — that they continued working on the problem.

Production was finally started in Alfred Gregson's basement in September 1946 and then moved in November to a 500 sq. ft. chicken coop on a farm near Wexford which they painted and fixed up themselves. They stored their lumber in the farmer's barn. Sticks were sold under trade name G.O.P. — first letters of each partner's name.

Unable to buy all the equipment they needed and being machinists, they designed and made part of the necessary machinery. "Design of the machines was based on the necessity of it doing a particular job," Mr. Gregson states. The machines included their sanding drums, sanding discs, routers (shaping machines) and all their gluing equipment.

Canadian Tire Corp. gave them their first order — 500 sticks. In the first year they produced and sold a total of about 3,500 hockey sticks. The coach of the Markham, Ont., hockey club lived on the farm and his team tested the sticks for them.

In May, 1947, they started to build at their present location, 309 Pharmacy Road, Toronto. Existing equipment was moved down and added to and production started there in October, 1947.

Aim for 100,000

Their second year's production (Oct. 1, 1947 to Sept. 30, 1948) totaled about 25,000 sticks and the third year's 65,000 sticks. In the first six months (to end of March) of their current fiscal year they have produced 41,000 sticks and hope to make 100,000 in the year, if the orders for next fall come in. These should start coming from around the end of May. About 12 men are now employed besides themselves.

Hockey sticks have been made for such well-known names as A. G. Spalding & Bros. of Canada, Wright & Ditson, Canadian Tire Corp., The T. Eaton Co., Simpsons Ltd., Harold A. Wilson Co. of Toronto, Marshall-Wells Co., and J. H. Ashdown Hardware Co.

While the partners had originally experimented with a solid bakelite blade, due to a sharp jump in the price of bakelite once war surpluses were disposed of, they switched to a laminated bakelite blade. The first sales were all laminated and only two lines were made.

Due to further price increases for bakelite and to the cost of the glue required for it, they have switched to an entirely wood stick. Handles are made mainly of ash, the core of the blade of elm with birch lamination. They now have eight different lines which retail from 90c to $2.75 for the ordinary hockey sticks and to $3.50 for goal sticks.

Lumber for the sticks is purchased a year ahead of time and stacked in their yard to be air dried. As their production has jumped they have had to purchase more and more lumber so that their chief problem now is to get sufficient working capital provided the orders keep coming in.

The business, which was started with $2,000 3½ years ago, has machinery and inventory on its books at $20,000 now. This is conservative, the partners state, as the machines, built by themselves could not be purchased anywhere near their value on the books.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

ADMINISTRATION & TRUST CO. reports a consolidated 1949 net profit of $73,144. This includes the accounts of Sun Trust Ltd. and Trust Company of America, acquired in 1949.

Liabilities to the public, at Dec. 31, 1949, totaled $4,615,404 ($667,089 at the end of 1948) and were secured chiefly by liquid assets of $5,544,749 ($1,173,410) and mortgages of $1,017,876 ($351,189).

Estates, trusts and agencies account amounted to $125,346,318 ($26,934,726).

Chairman E. L. Patentude states that total assets controlled and managed by the company increased by $7,039,600, without taking into account assets being managed under special mandate, which show an increase of $1,957,700.

	1949•	1948
Liab. to public, etc.*	$4,615,404	$667,089
Shareholders' equity	2,060,145	946,657
*Secured by:		
Mortgages	1,017,876	351,189
Office premises	28,024	89,147
Realty for sale	84,900	......
Liquid assets♦	5,544,749	1,173,410
Total	6,675,549	1,613,746
♦Includes bonds and shares.		
Estates account	125,346,318	26,934,726
Net profit	73,144	41,560
Earned per Share	$1.53	‡$2.08
Paid	1.50	1.50

‡Based on paid-up capital.

•Incl. Sun Trust Ltd. & Trust Co. of America from acquisition of shs., June 1, 1949.

Phone Co. Starts on Kelowna Change

Work on the installation of automatic telephone equipment for the City of Kelowna, B.C. is under way, Okanagan Telephone Co. reports. The contract for the new equipment has been awarded to Siemens Brothers (Canada) Ltd. and it should be in operation by March 1952.

The company's engineer is now preparing specifications for dial central office equipment for Penticton and Vernon. Orders will be placed with suppliers for this apparatus shortly, it is stated.

Five of the eleven exchanges operated by Okanagan Telephone Co. have now been converted into dial operation. These are: Armstrong, Lumby, Peachland, Summerland and Westbank.

The company had a total of 13,060 telephones in service in February this year. This compares with 7,654 telephones in service in December 1945.

STANDARD PAVING & MATERIALS LTD. An additional 1,335 preferred shares have been surrendered for conversion into 2,670 common, reducing preferred outstanding to 45,964 and increasing common outstanding to 193,424 shares.

INTERNATIONAL METAL INDUSTRIES LTD. has redeemed an additional 120 4½% preferred shares, reducing number of preferred outstanding to 34,519 shares.

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The Company's plant will have an initial capacity of One Half Million cases of Carbonated Beverage per year, plus equipment and facilities for the manufacture of its other products. The Company will maintain its own fleet of trucks to service the Toronto District and adjacent areas. For Major centres throughout Canada, Franchises will be allotted to Bottlers and Territorial Distributors on an attractive and exclusive contract basis.

An outstanding feature of the company's program is the operation of company-owned Automatic Vending Machines, serviced by the Company and Franchisers, for Theatres, Amusement Parks, Industrial Plants, Transportation Terminals, etc. This division of the business has unlimited possibilities.

DIRECTORS
Joseph B. Kopman, Stewart A. Woods, John Gracie, James D. Ince, I. Philip Dickler, all of Toronto

This Offering of Shares is being made direct by the Company, and the proceeds go directly into the Company's treasury.

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JOHNSON & HIGGINS APPOINTMENTS

A. W. HAGYARD

W. L. HEAD

Johnson & Higgins of Ontario Limited, Insurance Brokers, have announced the appointment of Mr. A. W. Hagyard and Mr. W. L. Head as Account Executives at their Toronto Office. Mr. Hagyard is well known in Toronto insurance circles and served six years with the Canadian army, retiring with the rank of Lt. Colonel. Mr. Head has had twenty-one years experience in the insurance business and was recently transferred from their Montreal office. *

The Canadian Chartered Accountant
10 ADELAIDE ST. EAST TORONTO 1, ONTARIO

ARTICLES THIS ISSUE
The Lifo Method of Inventory Valuation Cost Accounting
• Public Moneys •
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CONSTRUCTION TRENDS

By CLIVE CHATTOE

'Borrow-As-You-Go' Works Projects To Attract Institutional Investor?

In Canada late last year, Interprovincial Pipe Line Co., to finance its current pipe-line construction on the Prairies, sold $72 millions of first mortgage and collateral trust bonds via a syndicate of investment dealers to several institutional investors. Bonds are for 20 years, bear interest at 3½%. Subscriptions weren't paid in at once but in three installments: 25% on Jan. 1, then 50% on April 1 and the final 25% due July 1. Interest charge on the undrawn part is ½ of 1%. By this borrow-as-you-go feature of the loan, Interprovincial saves heavily in interest charges.

In United States more recently, New Jersey's Turnpike Authority borrowed from 42 insurance companies, five savings banks, six public trust funds. These agreed to lend up to $220 millions to build 115 miles of toll highway. Bonds are for 35 years; bear interest at 3¼%. But here again they're not issued until the money is needed. The Turnpike Authority estimates it will save $12 millions because interest is only ½ of 1% on the undrawn part of the loan.

Under Canadian law, chartered banks jointly or grouped could make such loans virtually without restriction. Life insurance companies could do so up to 3% of total assets (a bill soon to go before Parliament may increase this amount). Trust and loan companies also are seeking a legislative okay to enable pooling of larger sums in trust funds for investment.

So far in Canada, the plan isn't widely talked about but the example of Interprovincial Pipe here and the big state highway authority in the U. S. probably hasn't gone unnoticed by provincial governments, municipalities, utilities corporations and institutional investors generally, according to competent observers.

That more construction may be financed that way in future is in some quarters considered at least a possibility.

• • •

Norman Long Canada's Biggest Housebuilder?

The Toronto housebuilding fraternity calls General Manager Norman W. Long of Monarch Construction (Monarch Mortgage, Eastern Agencies etc.) "Canada's biggest builder." Here's why.

He's building under Toronto's and Canada's largest current one-company residential-commercial "neighborhood" program — 1,360 houses worth $10 millions, 52 apartment blocks at $3.5 millions, 30 stores and a theatre at $500,000, total $14 millions.

Monarch's program is in three sections in two suburban townships — North York and Scarborough.

Nearing completion on North York's Trethewey Drive near the Town of Weston are 260 houses, six apartment blocks, 10 stores. On Bathurst, north of Wilson (Dominion Nursery property), also in North York, sewers and watermains are being installed and roadways built for a second Monarch-built "planned neighborhood" of 400 houses, 20 apartment blocks, ten stores. Also to start this year, but in a shift to Scarborough township, is a third program — 700 houses, 26 apartment blocks, ten stores and a theatre in the Dawes Rd.-Eglinton East area.

• • •

More Heavy Equipment Is Now Made in Canada

Canada and Canadian financed plants are coming up in the world of heavy construction equipment, traditionally a heavy volume import item. Recent expansion in this field of Ontario's Waterous Ltd., Brantford and Edmonton, is a case in point.

Waterous, up to 1922 made three-wheel 10 to 15 ton steamrollers, then added power chippers (Chipitivers), asphalt plants, bituminous distributors, and, between 1920 and 1930, two or three gasoline operated road rollers.

"Since World War II," President and General Manager Donald M. Waterous tells The Financial Post, "we have designed a gasoline and diesel operated eight to 12 ton tandem road roller and now have some in production. We are designing asphalt plants, both stationary and portable with capacities ranging from 40 to 120 tons an hour. These designs in most instances can be completed quickly. Bituminous distributors and Chipitivers also can be manufactured from existing designs.

"This equipment is all made in the United States at the present time. A portion of the Canadian demand can now be met by us.

"With the road program Ontario has announced and with comparable volume indicated for several other provinces, there should be a substantial demand for this type of equipment in Canada."

Mr. Waterous here made a suggestion to provincial and municipal highway officials across Canada. The idea: to conserve U. S. dollars by letting contracts in advance of the usual quick start procedure.

Here's how the Canadian equipment executive put it:

"As a rule our road contractors receive their contracts in the spring, which doesn't leave enough time for a Canadian manufacturer to supply equipment unless it is stocked. This is possible in road rollers but asphalt plants are of such a nature that demand, style, capacity and cost must be taken into consideration. United States manufacturers of road equipment are numerous and with a much larger demand than Canadian firms, therefore, can afford stocking and usually can ship much faster, especially asphalt plants.

"If it were possible for road contractors in Canada to secure their contracts in the fall of any year for the following year they could then place their orders for necessary equipment and Canadian manufacturers could design and assemble in winter—a great help toward meeting United States competition."

SHOE CO. DIRECTOR

A. A. WILSON, General Manager, J. Leckie Co. Ltd., Vancouver, B.C., has been elected to the Board of Directors. *

Fairbanks-Morse to Expand If Can. Loco. Deal Passed

MONTREAL (Staff)—Entry of a new make of diesel-electric locomotive into the Canadian manufacturing picture is seen in the announcement that the Fairbanks-Morse organization has arranged a working agreement with Canadian Locomotive Co.

The Canadian Fairbanks-Morse Co. and its sister concern, Fairbanks, Morse & Co. in the U. S., have bought a substantial stock interest in Canadian Locomotive, according to R. H. Morse, Jr., president of both Fairbanks-Morse organizations. It's understood that the stock interest represents control.

The stock purchase plan will be submitted to Canadian Locomotive shareholders for approval at a special meeting early in June, according to present plans. The company will be operated as a separate concern and will retain its present name.

Canadian Locomotive formerly had a tie-up with Baldwin Locomotive Works of Philadelphia and Whitcomb Locomotive Co. of Rochelle, Ill., for manufacture of diesels in Canada. However, unfilled orders on hand at the first of the year totaled only $1.5 millions compared with $10 millions a year earlier. Eighteen diesels ordered by CNR in 1948 were returned to the company when they did not meet requirements.

The new deal at Canadian Locomotive will give the Fairbanks-Morse organization a large, well-equipped plant capable of producing other Fairbanks-Morse products besides diesels, including many products which have hitherto been imported from the U. S. Fairbanks-Morse officials said that this was only the initial step in the expansion of the company's manufacturing facilities in Canada. Present plant at Sherbrooke has been operating at capacity turning out industrial scales and trucks, standpipes, oil burners and coal stokers.

Fairbanks, Morse & Co. has been an important manufacturer of diesel engines in the U. S. It recently introduced a new heavy road diesel unit of 2,400 hp which is now on trial. It has also produced a variety of other railroad equipment such as railway water stations, coaling stations, motor cars, hand cars and so on.

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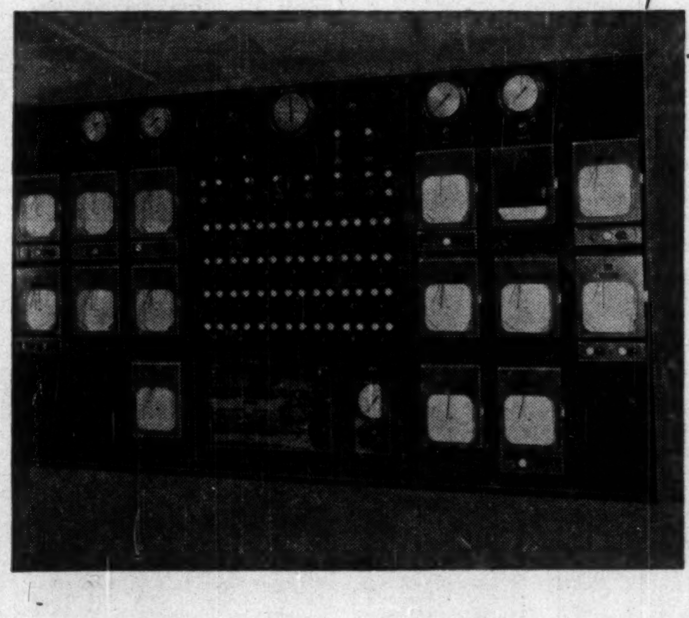

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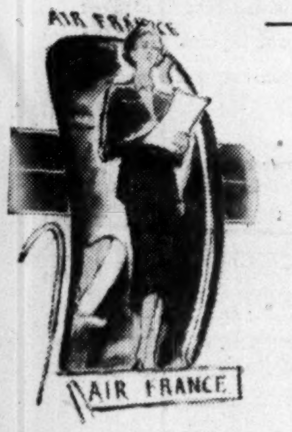

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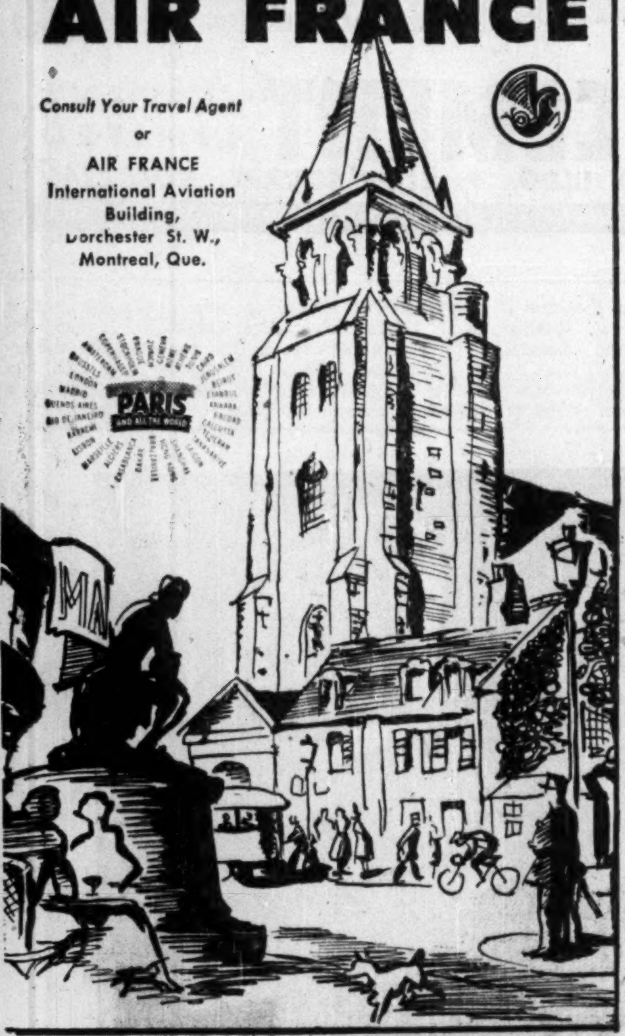
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THE ONLY RAILWAY SERVING ALL TEN PROVINCES

Chartered Bank Holdings Of Municipal Bonds Rise

Chartered banks have been buying municipal bonds in large volume in recent months, The Financial Post learns.

Total holdings of all the banks on March 31 were $164.5 millions, about $25 millions more than on the same date last year. With one or two interruptions, the trend has been upward for more than a year now.

Municipal bonds generally are an attractive investment for the banks, The Post is told. The supply has been large, as many municipalities are now busy on needed public works, repairing and replacing roads and sidewalks which suffered during the war years when it was impossible to do such work. In addition, increased population has made it necessary to expand waterworks and sewerage systems. In many cases assessable property and individual assessments have been increased.

The total volume of bonds purchased by the banks has probably been greater than that indicated by the figures. Many municipal bond issues are serial bonds, with a certain proportion maturing each year and this to some extent offsets new purchases. Short term bonds are popular with the banks.

Yields relatively are good and there is no restriction on the amount of municipal bonds that a bank may purchase. Moreover municipalities generally are in good financial condition.

In some cases, bonds are issued to replace bank loans made to finance public works. On March 31, municipal borrowings from the banks totaled $100.2 millions, about $9.9 millions more than at the end of February and $21 millions above March 31, 1949.

Holdings of all the chartered banks at the end of March are shown in the following table with comparisons.

Municipal Bond Holdings of Chartered Banks
Thousands of $

	1950	1949	1948
January	164,533	137,635	133,989
February	164,178	137,335	132,836
March	165,477	140,956	132,715
April	......	144,600	133,447
May	......	146,432	133,741
June	......	154,280	133,403
July	......	155,970	134,422
August	......	156,783	136,811
September	......	158,801	136,596
October	......	160,542	138,211
November	......	155,372	136,915
December	......	161,262	139,935

Most Rimouski Fire Losses Paid Within Week of Fire

Under an emergency plan formulated by the fire insurance companies during the war years, home owners who had their dwellings damaged or destroyed in the Rimouski fire have already received their insurance cheques indemnifying them for their losses, or will do so by the end of the week.

Larger losses are also being adjusted with a record degree of despatch.

The promptness and co-operation shown by the insurance companies involved was praised by the Mayor and Chamber of Commerce of Rimouski.

Total fire loss may reach $20 millions but insurance officials hesitate to make any estimate of the insurance loss. Some 200 companies are involved, and while individual companies know how much they have paid and what their total liability is, it has not been possible as yet to estimate the total value of insured property destroyed. Attention has been centred on paying losses, rather than in compiling statistics covering the whole situation.

Here is a preliminary breakdown of the buildings lost:

300 dwellings, some multiple; 20 stores; one movie theatre; one hotel; court house and jail; seminary and technical school attached; hospital; convent; old peoples' home; Price Bros. mill and two lumber yards.

In addition to fire, there was considerable amount of smoke damage, some of which is believed covered by the "supplemental contract" on fire policies.

The heavy damage is attributed partly to the great number of wooden buildings. There were only two or three brick buildings, among them the solidly constructed cathedral which took the brunt of much of the heat and undoubtedly deflected the fire from the most congested part of the town. Much of the loss among dwellings was in the more prosperous part of the town.

No details were available at midweek on the insurance carried on the church buildings. Practically all of this is believed to have been carried by L'Assurance Mutuelle des Fabriques.

One man on the spot said he ran across only one Personal Property Floater policy, the territory not being a good one for that type of coverage.

Work to clear debris has started and the town is getting ready to rebuild. It is expected this will be carried out according to a central plan devised by the town authorities. Attention has been given mostly to getting relief supplies into town rather than building materials. The old highway bridge has been repaired sufficiently for foot traffic but cars have to go across the railroad bridge on a flat car. Efforts of individual fire insurance adjustors were co-ordinated by William Perego assisted by William Hanley, both of Montreal.

Cabano property owners, whom fire struck before the Rimouski ashes were cold, carried very little insurance and accordingly there will probably be more distress than at Rimouski. A senior adjustor was appointed to look after claims but no central committee similar to that at Rimouski was set up.

COMPANY REPORTS

CANADIAN INGERSOLL-RAND CO. reports a 1949 net profit of $1,072,545, down 17.6% from 1948's $1,301,000.

Working capital at Dec. 31, 1949 amounted to $6,433,130, against $6,243,302 a year earlier.

INCOME ACCOUNT

Years Ended Dec. 31:	1949	1948
Net earnings	$1,950,748	$2,230,588
Less: Deprec.	170,572	181,710
Income tax	707,631	747,878
Net profit	1,072,545	1,301,000
Less: Dividends	1,051,369	1,146,948
Surplus for year	21,176	154,052
Earnings per Share and Dividend Record:		
Common	$5.61	$6.81
Paid	5.50	6.00

CONDENSED BALANCE SHEET

As at Dec. 31:	1949	1948
Cash	$491,568	$138,508
Bonds, at cost‡	1,523,950	1,525,750
Accts., etc., rec.	1,781,484	1,934,163
Inventories	4,244,481	4,449,135
Total curr. assets	8,041,483	8,047,556
Inv. & adv. sub.	12,500	12,500
Misc. assets•	202,145	258,052
Fixed assets	480,342	578,170
Total assets	8,736,470	8,896,278
Accts. & tax. pay.	742,186	1,472,502
Advance payts.	678,009	331,752
Divd. pay.	191,158	......
Total curr. liab.	1,608,353	1,804,254
Capital stock	1,569,260	1,569,260
Earned surplus	5,558,857	5,522,764
‡Market value	1,522,900	1,525,300
•Incl. refd. EPT	106,523	178,947
Working capital	6,433,130	6,243,302

IN MONTREAL

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THE Windsor
ON DOMINION SQUARE
J. ALDERIC RAYMOND, PRESIDENT

R. O. JOHNSON

has been elected a director, Dominion Corset Co., Quebec. He is a partner, Greenshields & Co., Montreal, stockbrokers.

Staff Changes

Chartered banks announce the following staff changes:

Montreal:

H. W. DICK, formerly accountant, Charlottetown, to be manager, Hartland, N.B.

J. HENDERSON, formerly an assistant manager, King and Yonge, Toronto, to be manager, Dundas and Roncesvalles, Toronto.

H. B. WHITTAKER, formerly of assistant general manager's dept., Toronto, to be assistant manager, Yonge and Queen, Toronto.

F. R. SOUTHEE, formerly of San Francisco, to be vice-president and assistant cashier, Bank of Montreal (San Francisco), California.

R. J. MITTON, formerly Yonge and Queen, to be manager, Queen East and Beech, Toronto.

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Nova Scotia:

H. W. CALDWELL, to be an inspector.

J. F. JOHNSTONE, to be manager, Richmond and Oxford, London, Canada.

E. R. McCLAFFERTY, to be manager, West Saint John, N.B.

W. G. CALDER, to be accountant, St. Clair and Oakwood, Toronto.

G. C. PORTER, to be accountant, Leaside, Ont.

A. R. H. BROWN, to be assistant accountant, Spadina and Dundas, Toronto.

LAKE-OSU MINES has received payment for underwriting on 100,000 shares at 30c a share and also the first option on 100,000 shares at the same price under agreement with Bongard & Co. Issued capital is 1,950,000 shares, leaving 1,550,000 in the treasury.

Bermuda
For information concerning these leading Bermuda hotels:
Belmont Manor Hotel with COTTAGES & GOLF CLUB
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See your local Travel Agent or
William P. Wolfe, Rep.
47 Yonge, Toronto, PL. 3422

BANK OF CANADA

	May 10 1950	May 3 1950
Liabilities	$	$
Capital paid-up	5,000,000	5,000,000
Rest fund	10,050,367	10,050,367
Notes in circ.	1,273,327,481	1,273,567,995
Deposits:		
Govt. of Can.	26,220,563	47,280,939
Chart. banks	561,684,126	560,877,562
Other	207,084,335	207,571,932
Total deposits	794,989,024	815,730,433
Liabs. payable in sterling, U.S.A. & foreign gold currencies:		
(a) to gov. of Can.	96,780,941	92,430,620
(b) to other	26,766	26,766
Total	96,807,707	92,457,386
All other liabs.	20,622,765	18,189,932
Total liabs.	2,220,797,344	2,214,996,113
Assets		
Foreign Exchange:		
Sterling & U. S.	91,307,707	86,957,386
Other curr.	110,148	130,602
Total	91,417,855	87,087,988
Subsid. coin	471,951	417,739
Gov. sh. term	1,676,333,365	1,681,706,402
Oth. gov. sec.	373,501,940	372,367,157
Other sec.	5,500,000	5,500,000
Total invest.	2,055,335,305	2,059,573,569
Total share cap. at cost	25,000,000	25,000,000
Premises	4,262,597	4,252,822
All other assets	24,309,636	38,663,995
Total assets	2,200,797,344	2,214,996,113

TOWN OF TIMMINS, Ont. has sold two issues of 3½% debentures, totaling $226,500, to a syndicate composed of Anderson & Co. and the Imperial Bank of Canada. The issues consisted of $196,500 maturing May 1, 1951 to 1965 and $30,000 maturing May 1, 1951 to 1960. Price was $100.18 or a cost basis to the town of 3.47%. Proceeds will be used for public school purposes and sewers.

Overseas
TRAVEL
SERVICES

1950 is going to be a big year for travel. Thousands of Canadians will take advantage of the Holy Year to journey to Italy. Thousands more will travel in Britain, the United States and on the Continent.

Imperial Bank of Canada will be pleased to assist you with your currency problems wherever you may go this year. To make sure your trip is successful, consult your Imperial Bank Manager, today.

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Confirmed By PHONE!

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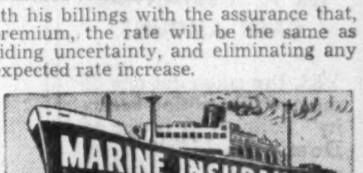

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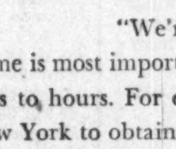

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For your free copy of TCA's Aircargo Memorandum Tariff, providing rates and general information, write to Dept. Z, TCA, Montreal 3, or contact your nearest TCA office or your freight forwarder.

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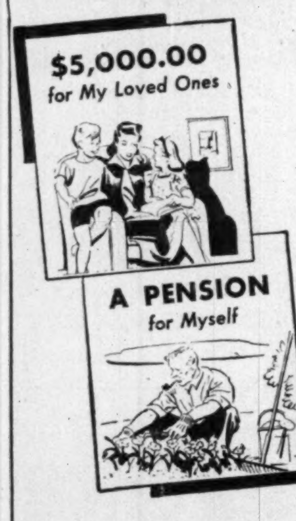

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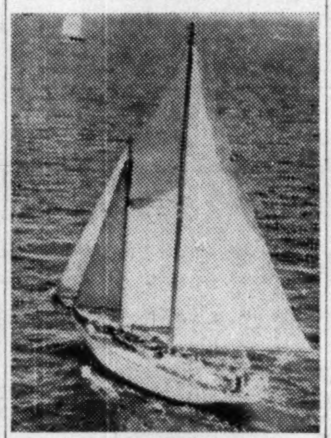
SIDNEY HOGG, M.E.I.C., P.Eng.

The appointment of Mr. S. Hogg as Vice-President of Morrison Steel and Wire Company (1950) Limited, was announced following a meeting of the Directors May 4, 1950.



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CANADA

TAYLOR, PEARSON & CARSON (CANADA) LTD.: Under offering of rights to shareholders of record March 31, 57,109 shares were taken up by shareholders at $6.25 a share, and the balance of the offering, comprising 5,391 common shares, was taken up by Wood, Gundy & Co. and James Richardson & Sons. There are now 262,500 common shares issued and outstanding.

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Simpson's

NO HEARING AID Need Sell In Canada For More Than $85

I BELIEVE NO HEARING AID NEED SELL FOR MORE THAN $85.00. HERE IS WHY:

EVEN WITH PRESENT HIGH COSTS OF LABOR AND MATERIALS, IF ZENITH WISHED TO SELL A HEARING AID AT $200 (WHICH WE DON'T) WE WOULD NOT, EVEN WITH OUR ENORMOUS FACILITIES AND THE MILLIONS OF DOLLARS WE SPEND IN OUR RADIO LABORATORIES ON RESEARCH, KNOW HOW TO BUILD IT BETTER THAN OUR SENSATIONAL NEW MINIATURE $85.00 INSTRUMENT, NOR DO WE KNOW WHERE TO OBTAIN OR HOW TO USE MORE EFFICIENT MATERIALS.

WHEN A BETTER HEARING AID IS BUILT, ZENITH WILL BUILD IT.

E. F. McDonald Jr.

President, ZENITH RADIO CORPORATION

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A Revolutionary New GUARANTEED Hearing Aid

—and now Zenith—world famous makers of Television, Radio and FM offers you their new "Miniature" Guaranteed Hearing Aid at $85. Small—light—powerful, economical and clear. Try it in your own home under our 10-day return privilege.

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Please send me free, details and complete descriptive literature (including time payment plan) and list of local dealers I may contact on the new $85 Zenith "Miniature."

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Provincial Roundup

British Columbia

Growing Pains: In 1945, town plan estimates of the 1970 population of Vancouver and suburb New Westminster, gave 455,000 for the former, and 32,000 for the latter. But look what happened. Vancouver count this year may reach 500,000 while New Westminster has already soared to 34,000. To Greater Vancouver metropolitan area planners, unanticipated accelerated growth has developed into a splitting headache as they seek to cope with housing, traffic control, communication bottlenecks, demands of business and industry, sanitation and intertwining municipal services rapidly spreading over a 200 square mile area. Looming is a 20-year struggle to get things straightened out.

* * *

Alberta

Yellowknife and Tourists: To a group of well-heeled Americans on a visit last year, Yellowknife and district loomed as the Promised Land. Amazed at the virgin fishing available the group obtained permission and constructed a lodge 80 miles from town. Announcement of opening saw accommodation snapped up. Thereupon Yellowknife businessmen took the initiative, are now going all out for tourist trade. Entering the picture is Yellowknife Transportation Co. with passenger-freight boat Expediter, formerly a navy ship brought down the Mackenzie River. Licensed by the Board of Transport Commissioners, boat will ply a twice weekly service across Great Slave Lake, meet travelers from Edmonton at Hay River and convey them, cars and all, to Yellowknife. Travel time from Edmonton, 36 hours.

* * *

Saskatchewan

Curb Splashers: A better deal is on the way for those hapless Regina folk whose clothes have been splattered with muck and slush sprayed over the sidewalks by passing vehicles. Included in a number of traffic bylaw changes now being prepared by the city solicitor is one ordering motorists to reduce speeds—"to protect pedestrians when the streets are covered with water, mud or slush." At present the traffic bylaw contains no such provision and the change follows identical steps being taken in Winnipeg and Moose Jaw.

* * *

Manitoba

Accounting Changes: Legislature action has split the accountancy profession in Manitoba into three groups, each with its own governing body. Senior group, 70-year-old Institute of Chartered Accountants has heretofore had full say in setting profession standards, determining training of students and conferring degrees. Two newly incorporated groups, the Certified Public Accountants Association of Manitoba and the Institute of Accredited Public Accountants of Manitoba, now each will have powers paralleling those of the Institute. CPAA will sponsor a study course through University of Toronto while students are employed in accounting work. APA will set up its own standard course for students.

* * *

Ontario

PC's Win Two "By's": Failure to poll one half the vote of winners cost CCF and Labor Progressive candidates their $200 deposits in Broadview (Toronto) and Hamilton West federal by-elections won this week by Progressive Conservatives. Mrs. Ellen Fairclough, member of Hamilton's civic board of control, becomes the only woman in the Commons, on narrow margin (7,980 to 7,592 votes) over Harold F. Lazier, Liberal, in the Hamilton West show. There, CCF's Alf Collingdon polled 3,200. In Broadview, PC George H. Hees, 39, won handsomely in his first try for Commons and seat of the late Tommy Church—10,157 against Miss Ruth Radford's Liberal count of 5,876 (9,316 last June) and CCF's Prof. George Grube, 4,764 (7,616 last June).

* * *

Quebec

Rebuilding Rimouski: Ashes of its disastrous fire were scarcely cool before bulldozers and power shovels were ripping into burned-out heart of Rimouski to signal start of reconstruction. Quickly formed, a construction committee spotted places where essential buildings must be erected. Building materials pouring in by train and barge are quickly allocated with much of it expected to go into rebuilding Price Bros. Lumber mills. Formerly the town's major source of employment, the mills employed 1,600 men with an annual payroll of $10 millions.

* * *

Nova Scotia

Marketing Program: Approved by Nova Scotia Apple Marketing Board, Annapolis Valley crop this year will be sold under a pool system, designated as "A" and "B." Program involves limiting production of apples to quantities possible to sell on available markets. Pool "A" will consist of grade production in six preferred varieties, plus 325,000 barrels of graded fruit in nine other varieties. Total for both grades, possibly 600,000 barrels. Pool "B" will consist of all apples delivered to pool "A" in excess of 450,000 barrels, plus all other apple varieties grown. The board, it is stated, will be responsible for the sale of all apples produced. However, pool "B" apples will only be sold under circumstances where their sale will not prejudice the quantity or price level of apples in pool "A."

* * *

New Brunswick

Pit Prop Possibilities: Glimmer of hope in the pit-prop scene has been noted in an announcement that U. K. may be forced to return to the Maritime market due to dwindling supplies. Fifteen-year-old industry, conducted by small operators and which returns some 90% of the selling price to workers brought serious hardship when its market collapsed last winter. Since then civic bodies and labor representatives have repeatedly sought Ottawa aid to assist in finding new markets. Another ray of hope was voiced by James P. Manion, commercial secretary, Canadian Embassy in Paris. Now on Canadian tour he disclosed there is a possibility that France next year might also be obliged to enter the Canadian market quite heavily for pulpwood and pit props.

* * *

Prince Edward Is.

Cheese To Go Modern: Prince Edward Island cheese, for many years put up in 14 lb. discs and wrapped in cotton bandages, will soon be modernized and marketed in 1 lb. packages. This was agreed upon recently by the Island Cheese Manufacturers Association. New equipment will be purchased to handle the change, but no price increase is expected.

Newfoundland

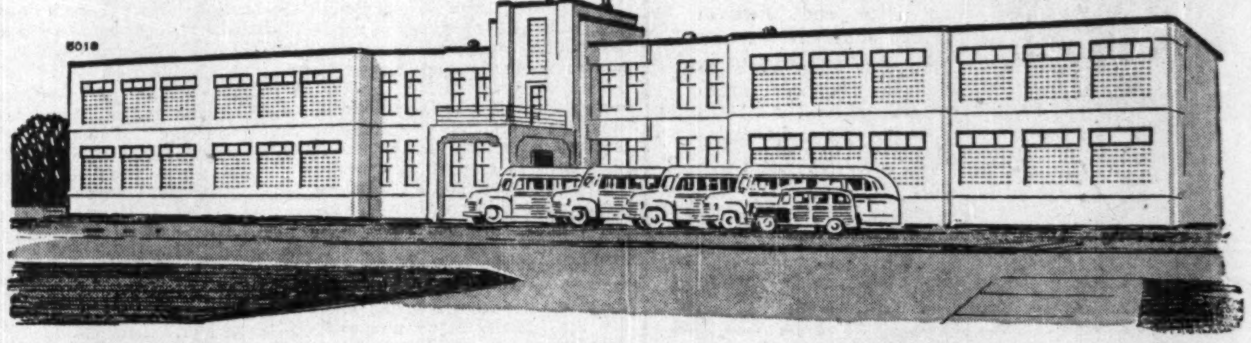
Man Wanted: Newfoundland Government is looking for a fisherman to fill a civil service job. The job? Deputy Minister of Fisheries. The pay, $15,000 a year. Qualifications? That's the rub. According to Premier Smallwood there isn't a man in the province qualified to fill the job. What is wanted is a man who is both a scientist and a practical fisherman. A man who can handle boats, knows fishermen and fishing and who can turn his hand to any job in a fish plant.

ARCHITECTURAL Concrete

ARCHITECTURAL concrete fills every important construction need for modern building. Fire safety, sanitary cleanliness, permanence, economy of upkeep are "built-in" features of this Memorial School at Port Elgin N.B. Attractively designed and built of reinforced concrete, it will serve the local community for generations to come.

Owners: Town of Port Elgin, N.B.
Architects: C. A. Fowler & Co., Halifax, N.S.
Contractors: Kenney Construction Co. Ltd., Truro, N.S.

Ask for free literature on concrete construction for public buildings and industrial plants.



CANADA CEMENT COMPANY LIMITED

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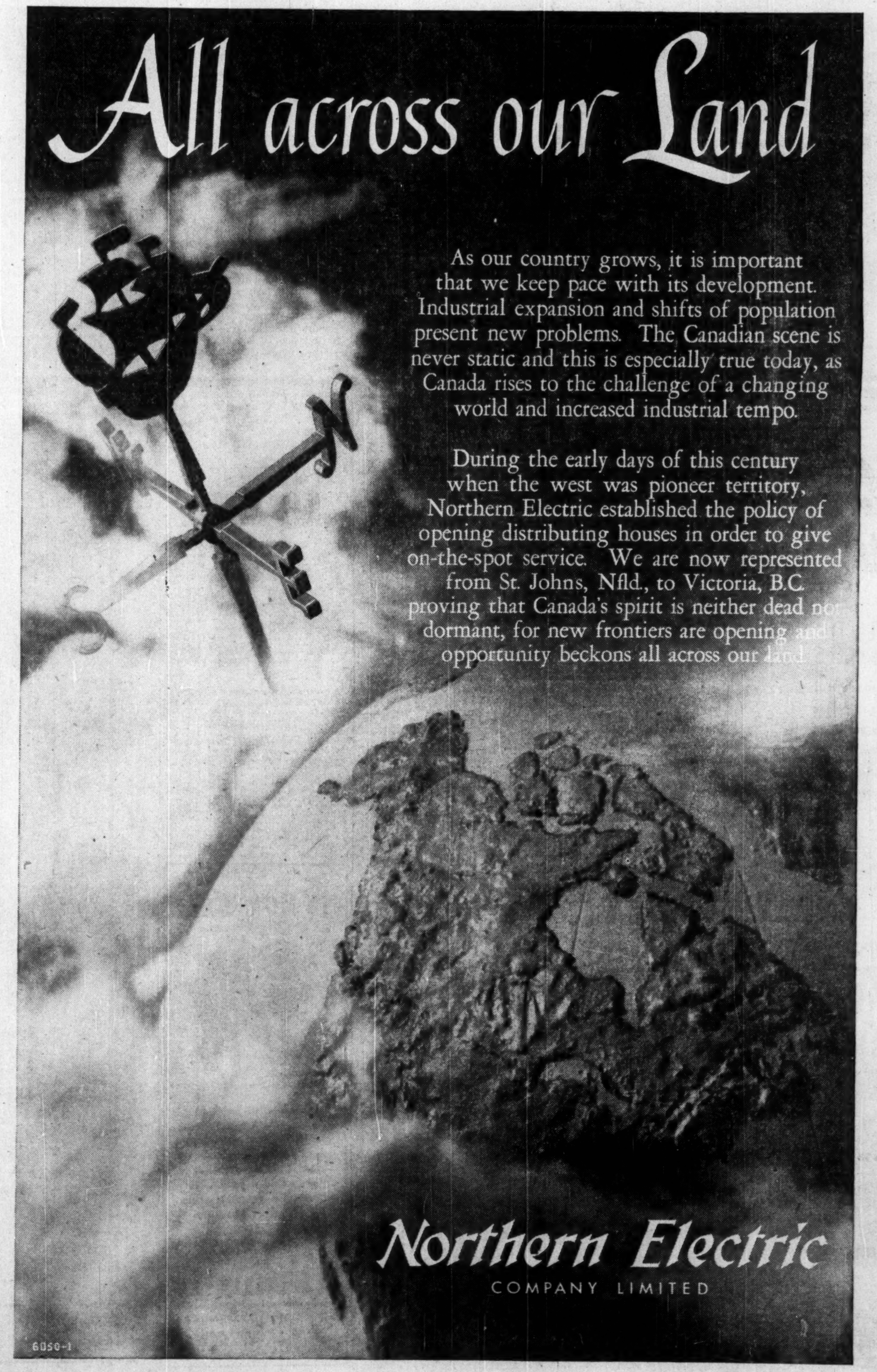

All across our Land

As our country grows, it is important that we keep pace with its development. Industrial expansion and shifts of population present new problems. The Canadian scene is never static and this is especially true today, as Canada rises to the challenge of a changing world and increased industrial tempo.

During the early days of this century when the west was pioneer territory, Northern Electric established the policy of opening distributing houses in order to give on-the-spot service. We are now represented from St. Johns, Nfld., to Victoria, B.C. proving that Canada's spirit is neither dead nor dormant, for new frontiers are opening and opportunity beckons all across our land.

Northern Electric
COMPANY LIMITED

AUSTIN

DOES IT AGAIN!

A40 Devon Captures 36 Class F American Stock Car Records

Yes, Austin has added more new laurels! The popular A40 Devon has shattered 36 official Class F American Stock Car Records, including distances of from one kilometre to 10 miles, both flying and standing starts, and *1000 miles at an average speed of 65 m.p.h.* The tests were held on April 27th and 28th at Westhampton, Long Island, New York, under the supervision of the American Automobile Association which officially confirmed the results. The car used was a stock model Austin A40 Devon sedan—now such a familiar sight on Canadian highways.

Some of the New Records

Distance		Time	Speed M.P.H.
Standing Start	1K	47.888	47.51
" "	1M	65.298	55.13
" "	5K	3:02.271	61.36
" "	5M	4:50.349	61.99
" "	10K	5:57.894	62.50
" "	10M	9:33.225	62.80
Flying Start	1K	32.850	68.10
" "	1M	54.822	65.67
" "	5K	2:48.072	66.55
" "	5M	4:31.665	66.26
" "	10K	5:39.987	65.79
" "	10M	9:14.301	64.95
" "	1000M	15:25:18.6	64.84

Investigate Austin—The Car for Canadians

Just a year ago another Austin model, the A90 Atlantic Convertible, established 63 new A.A.A. stock car records at the Indianapolis Speedway.

The actual Austin A40 Devon used in the trials will be on display at Stand 958-71 in the Coliseum Building at the Canadian International Trade Fair at Toronto from May 29 to June 9.

Industrial Growth

Venus Pencil

Venus Pencil Co., Toronto, and Toronto Industrial Commission announce construction to start on new one-story, 26,400-sq. ft., $170,000 steel and brick plant and office on three acres in suburban Etobicoke township; architects Hanks & Irwin. It will replace existing plant in West Toronto and is scheduled for completion in December, employing 70 to make pencils, penholders, erasers and crayons. Subsidiary of American Lead Pencil, Hoboken, N.J., Venus Pencil has been manufacturing in Toronto for 19 years.

• • •

Northern Electric

Northern Electric Co., Montreal, recently began building a large new warehouse and office on Toronto's central waterfront, two stories, over 109,000 sq. ft., steel, tile and brick; architects Chapman & Oxley and A. G. Facey; engineer Dr. Karel R. Rybka; contractor Carter Construction.

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Consumers' Gas

Consumers' Gas Co. of Toronto, continuing large-scale modernization and expansion, is pushing foundation construction for an all-welded telescopic water-sealed gas holder at CG's Eastern Ave. station. Toronto Industrial Commission calls the holder the largest of its kind in the Commonwealth — costing about $1.5 millions, holding 10 million cu. ft. Already completed at the same station are 16 tanks and equipment for production of liquefied petroleum gas. Further expansion is now planned: Consumers' Gas will install equipment to make a fourth type of gas augmenting coal, carburetted water and liquefied petroleum gases now produced. Later this year a large addition will be started to service building on Mutual St.

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Prest-O-Lite

Prest-O-Lite Battery Co., Toronto, is considering possible early building of a major plant extension which construction industry sources conjecture might be as big as 40,000 sq. ft., in two stories. Architect James A. Thatcher recently received tentative bids from selected building contractors as basis for fact-finding estimates. Prest-O-Lite spent over $360,000 on construction and equipment in 1947 for a 50% boost in output of automotive storage batteries and 10% rise in employment to over 200.

• • •

Dunlop Tire

Dunlop Tire & Rubber Goods Co., Toronto, has started building a major plant extension for year-end completion which will considerably increase manufacturing capacity and provide some increase in employment. Two story unit, 43,200 sq. ft., steel and reinforced concrete, is being built by A. W. Robertson Ltd., general contractor, to plans by Edgar A. Cross, consulting engineer. Dunlop president is James I. Simpson; vice-president and general manager, David B. Collett.

• • •

Standard Sanitary

Standard Sanitary & Dominion Radiator Ltd., Toronto, has started an extensive building program at an estimated $1.6 millions and to add 138,000 sq. ft. of floor; architects Prack & Prack, Hamilton; contractor Milne & Nicholls Ltd. A wholly owned subsidiary, Gurney Dominion Furnaces, recently bought West Toronto's Gurney Foundry Ltd., stove plant (The Financial Post, March 18). Reporting on Standard Sanitary's present big construction job, Toronto Industrial Commission reminds that this is the firm's second major postwar building expansion. Addition to mill room and pottery department will provide for 100% increase in output of vitreous china plumbing fixtures; of steel and brick and enclosing 88,000 sq. ft. of floor, it will house latest type casting equipment and tunnel kilns. As well, there is a six-story-and-basement extension to warehouse in reinforced concrete to increase packing facilities and simplify shipping. Whole project is scheduled for year-end completion, when an additional 75 men will be employed.

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Can. Triangle Wire

Canadian Triangle Wire & Cable, Toronto, recently began building 10,000 sq. ft., one-story steel and brick extension for 35% increase in plant floor space; architect Earle C. Morgan; engineer John H. Ross; contractor Mollenhauer Contracting Co. Completion is scheduled for midsummer. Toronto Industrial Commission reports the extension will relieve congestion, provide a more economical layout for production of flexible conduit, electric wire and cable.

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Rowe Bros.

In the Ajax industrial development east of Toronto, Rowe Bros. & Co. (Canada) has bought three acres and two buildings enclosing 24,000 sq. ft.; is installing equipment for late-May start on partial fabrication of steel office partitions. Development is announced by Canadian Managing Director G. Alexander and Toronto Industrial Commission. Rowe is recently formed subsidiary of Rowe Bros. & Co., Bristol, Eng., one of whose manufacturing subsidiaries (Simonswood Mfg., Liverpool) makes the partitions, using extensively cold rolled steel sections for high strength, low weight. Partitions are finished with synthetic baked enamels of latest type. One of Britain's largest distributors of building materials of many kinds, Rowe through subsidiaries operates a lead mine, lead mill, pipe mill, several ancillary manufacturing establishments.

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British Oxygen

British Oxygen Canada Ltd., Toronto, plans early start on building in suburban Etobicoke township a new plant to make oxygen, acetylene, other industrial gases, medical gas and precision-built medical equipment (The Financial Post, Dec. 17).

Subsidiary of London, Eng.'s British Oxygen, BOC plans early 1951 completion of factory and office of 35,000 sq. ft., in two main units, each one story, steel and brick; architects — Allward & Gouinlock. Site is 48 acres. Employment at capacity will top 100.

• • •

Exclus. Upholstering

Exclusive Upholstering Co., Toronto, to start building new plant, two stories and basement, 27,000 sq. ft., on Soho St. New plant will cost about $100,000, will be completed about January. Exclusive Upholstering makes upholstered soft furniture at 243 Queen St. W.

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Admiral

Subsidiary of Chicago's Admiral Corp., Canadian Admiral, Malton, near Toronto, recently bought 12 acres on Lake Shore road, at Lakeview, also near Toronto, the Toronto Industrial Commission announces. It says Admiral will build at once a one-story, 55,000 sq. ft., steel and brick plant for radio and television receivers and automatic record player combinations, doubling present facilities (The Financial Post, Feb. 18). Plant will have CNR siding. Admiral only a little more than a year ago doubled its space in moving to leased quarters in a former war plant at Malton.

Vice-president Vincent Barreca says new plant may be completed in November; with full production something like 100 workers may be added to the present force of around 200.

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Wm. R. Warner

William R. Warner & Co., New York and Toronto (pharmaceuticals, toiletries), has foundation in at Toronto plant for two-story extension steel and brick to bring total floor area to 75,000 sq. ft.; architect N. A. Armstrong; contractor W. C. Bawden. Added space will be used for (a) bigger output of liquid nail preparations, and (b) shipping. Reporting on this expansion, Toronto Industrial Commission recalled that Warner built a substantial extension to the same plant three years ago, with view to bringing together at one location the properties of all Warner subsidiaries, including Richard Hudnut Ltd.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

WOOD, ALEXANDER & JAMES LTD., Hamilton, Ont., net profit for the 11 months ended Dec. 31, 1949 amounted to $158,914, against $249,586 in the year ended Jan. 31, 1949.

Sales are holding up and outlook for the current year appears to be satisfactory, states President F. R. Bennetto. He also says that "costs have shown an increase, while shortage of U.S. dollars has been a problem."

Inventory reserve was increased by $50,000.

INCOME ACCOUNT

	11 Mos. ended Dec. 31 1949	Year ended Jan. 31 1949
Net income	$293,804	$425,601
Less: Deprec.	32,929	28,135
Income tax	101,961	147,880
Net profit	158,914	249,586
Less: 1st pf. divds.	68,250	68,250
Surplus for year	90,664	181,336
Earnings per Share and Dividend Record:		
1st Preferred	$24.45	$33.40
Paid	7.00+3.50	7.00+3.50
2nd Preferred	53.40	96.09
Common	15.16	29.11

None paid on 2nd pref. or common.

CONDENSED BALANCE SHEET

As at:	Dec. 31 1949	Jan. 31 1949
Cash	$350	$350
Accts. rec.	664,430	535,619
Inventories	1,086,496	1,062,107
Total curr. assets	1,751,276	1,598,076
Misc. assets*	34,091	37,528
Fixed assets	797,374	784,560
Total assets	2,582,741	2,420,164
Bank advances	35,998	90,896
Accts. & tax. pay.	389,960	373,214
Dividend pay.	22,750	22,750
Total curr. liab.	448,708	486,860
Conting. res.	250,000	200,000
Deprec. res.	377,300	355,983
Capital stock	921,863	921,863
Surplus	†584,870	†455,548
*Incl. ref. EPT	23,156	25,369
†After $50,000 in 1950, $100,000 in 1949 approp. for conting. res.		
Working capital	1,302,568	1,111,216

YARMOUTH BUILDING & LOAN SOCIETY, Yarmouth, N.S., shows a 1949 net profit of $10,747, against $11,622 in 1948.

Liabilities to the public, etc., amounted to $237,469 at Dec. 31, 1949 ($171,823 the previous year) and were secured by mortgages of $502,465 ($433,128) and liquid assets of $3,072 ($4,492).

	1949	1948
Liabs. to public, etc.*	$237,469	$171,823
Shareholders' equity	288,068	265,797
*Secured by:		
Mortgages	502,465	433,128
Liquid assets	3,072	4,492
Total	505,537	437,620
Net profit	10,747	11,622
Earned per share	$0.26	$6.77
Paid	unstated	5.00

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TWENTY-FIRST ANNUAL REPORT

of the Board of Directors of

PROVINCIAL TRANSPORT COMPANY

(Including wholly-owned subsidiaries)

COLONIAL COACH LINES LIMITED, KINGSTON CITY COACH CO. LTD., SHERBROOKE CITY TRANSIT CO. LTD.

For the Year Ended December 31st, 1949

Submitted at the Annual Meeting of the Shareholders held on April 28th, 1950

To the Shareholders:

Your Directors herewith submit the Annual Report of the Company for the year ended December 31, 1949, together with the Balance Sheet, Profit and Loss and Surplus Account Statements.

Profit and Loss Account

Total Operating Revenue was $10,404,773, $1,600,015 more than during 1948. Continued increases in the costs of labour and materials and the operation of more miles is reflected in an increase of $1,143,194 in Total Operating Expenses. Operating Income was $1,984,154, an increase of $456,822. Depreciation charges at $1,210,023, were $317,930 more than the previous year, adequately providing for depreciation on the larger number of vehicles employed and all facilities now owned. Interest from Investments was $26,382, an increase of $8,292, whilst interest charges, at $101,894 increased $29,273. After providing $286,979 for Income and Profits Taxes — $30,279 more than last year — the Net Profit transferred to Surplus Account was $411,640, an increase of $84,484.

Two dividends, each of thirty cents per share, were paid during 1949. An amount of $200,000 was transferred from Surplus and added to the Reserve for Contingencies.

Balance Sheet

The aggregate book cost of Fixed Assets on December 31 was $10,790,280, as compared with $8,994,065 the previous year, an increase of $1,796,215. This includes increases of $1,407,590 in Motor Coaches and Equipment, $66,853 in Buildings and $321,772 in Land. In order to provide for part of the cost of new equipment your Directors authorized the creation of $1,000,000, 3% Equipment Trust Certificates, Series "A", maturing $200,000 annually, March 15th, 1950-1954, inclusive. An Equipment Trust Agreement and an Equipment Lease between the Company and the Montreal Trust Company, dated March 31st, 1949, were duly executed and all the Certificates sold. All other Capital Expenditures were disbursed from your Company's own resources. $75,000 of the 2¼% Serial Debentures were redeemed during the year, and provision has been made in Current Liabilities for the redemption on March 15th, 1950, of $200,000 3% Equipment Trust Certificates. An amount of $136,952 Refundable Taxes for 1944, due March 1950, has been transferred to Current Assets and Surplus Accounts.

Traffic — Interurban Companies

Passengers carried by the interurban companies were 19,429,015, an increase of 2,025,687 over 1948. To provide for this increase 21,589,993 miles were operated, as compared with 18,926,572 the previous year, an increase of 2,663,421. The increase was spread through all branches of the Interurban companies' operations — Intercity, Suburban, Sightseeing and Special Charter Services. The new coaches received in 1949 made it possible to improve and increase the frequency of service offered to the public, both domestic and tourist, and public response is reflected in the increased gross earnings. Your Companies' participation in interline traffic exchange with other Canadian and United States carriers continued to enhance traffic volume. Expenditures and efforts made to develop and increase tourist traffic to and through the territories served improved the volume of traffic to Quebec and Ontario tourist and vacation centres, and increased sightseeing revenues. In developing and increasing tourist and interline traffic, your Company widely advertises the vacation advantages of Quebec and Ontario, and has built up extensive, mutually profitable connections with Travel agencies, hotels, and other businesses devoted to the tourist and travel industry.

City Services

During the year, Sherbrooke City Transit Company carried 6,770,063 passengers, an increase of 577,582 over 1948. Mileage operated was 758,436, an increase of 53,104. Kingston City Coach Company carried 5,013,453 passengers, an increase of 29,469. During the year, some small buses formerly used in Kingston were replaced by larger vehicles. Consequently, the additional traffic was carried with a reduction of 4,178 miles operated, from 679,307 in 1948 to 675,129 in 1949.

Passenger Equipment

At the end of 1948, 428 buses were in operation. During 1949, 92 vehicles were acquired. Since Labour Day, 39 vehicles were disposed of, and 481 buses were in operation on December 31st, 1949. 62 additional new buses have been purchased for delivery in 1950. For the first time in a considerable period, there has been no increase in the purchase price of the new buses ordered.

Terminals and Garages

The work of expanding and modernizing Ottawa Terminal is now in progress, and it is anticipated that the new premises will be in full operation by early Summer. During 1947, your Company, working in conjunction with several operators serving the City of Quebec, participated in the cost of establishing Union Bus Terminal facilities there. This terminal has succeeded in developing much additional traffic. For a considerable period, your Company has been endeavouring to secure the most suitable and convenient site for the establishment of modern terminal facilities in Sherbrooke. To date, legal obstructions regarding the site have delayed progress in this matter.

The last Annual Report referred to the proposed construction of a storage garage on land which had been acquired in Montreal. In the meantime, your Company has been testing a newly developed Bus Heat Exchange Unit which was designed to make it possible to keep bus heating systems warm whilst the vehicles are parked outdoors. Whilst results of these tests are as yet inconclusive, they are sufficiently promising to defer any decision to build additional facilities, for storage only, at this time.

New Acquisitions

Early in 1949, opportunity arose to purchase the Operating Assets of Collacutt and Kawartha Coach Lines, of Oshawa, Ontario, whose principal routes were between Gananoque and Toronto, and between Peterborough and Toronto. In addition to these services the Oshawa companies operated between Toronto and Lindsay (via Whitby); Trenton and Picton; Newcastle and Pontypool; and Gananoque and the Thousand Islands International Bridge. Other assets owned included land in Toronto, land and buildings in Port Hope and Belleville, tools, repair shop equipment and twenty-seven buses.

The properties were purchased and integrated into the Colonial system on June 16th, 1949, and as a result, the public in the area now have more frequent services and better facilities.

Early in 1949, your Company acquired the Capital Stock of Pony Bus Lines, Limited, a small property operating between Pembroke and Petawawa Military Camp and providing urban service in Pembroke. Your Company also acquired control (subject to the approval of the Interstate Commerce Commission) of International Coach Lines, Inc., a Maine Corporation, which established a service in June 1949 between Montreal and Saint John, N.B. To date the International Company has restricted its operations to an experimental service of one trip each way per day. However, traffic created warrants consideration of an increased service during 1950. The International service is also developing an encouraging volume of traffic exchange with points served by Provincial and Colonial lines.

General

At a Special Meeting of the Shareholders held on April 29th, 1949, the number of Directors of the Company was increased to twelve members. Subsequently, Mr. A. C. Price and Mr. K. S. Gordon were appointed to the new Directorships.

At the same Special Meeting of the Shareholders, the creation of an Executive Committee was authorized. Your Directors appointed the Honourable Alphonse Raymond, Mr. Victor M. Drury and Mr. Francis Farwell as members of the Executive Committee.

Due to ill health, the Honourable Alphonse Raymond found it necessary to resign as President, Director and Member of the Executive Committee, and Mr. Victor M. Drury was appointed President of the Company.

Your Directors accepted the resignation of the Honourable Alphonse Raymond with the greatest regret, and wish to record their appreciation for his valued services to the Company.

Mr. Jean Raymond, K.C. was appointed a Director of the Company, replacing the Honourable Alphonse Raymond on the Board.

Your Directors desire to record their sincere appreciation of the faithful and efficient services of the Officers and Employees of the Company throughout the year.

Submitted on behalf of the Directors,

VICTOR M. DRURY, President.

COMPARATIVE CONSOLIDATED PROFIT AND LOSS ACCOUNT

For the Years Ended December 31st, 1949 and 1948

	1949	1948
Passenger Revenue	$10,252,107.34	$8,687,485.38
Other Operating Revenue	152,666.16	117,272.88
Total Operating Revenue	10,404,773.50	8,804,758.26
Deduct:		
Operating Expenses	7,031,684.92	6,014,898.82
Administration and General Expenses	445,526.42	411,541.38
Operating Taxes and Licenses	943,408.10	850,985.54
Total Operating Expenses	8,420,619.44	7,277,425.74
Operating Income	1,984,154.06	1,527,332.52
Provision for Depreciation	1,210,022.84	892,093.23
Net Operating Profit	774,131.22	635,239.29
Other Income		
Income from Investments	26,382.10	18,089.84
Net Profit from sales of Motor Coaches and Equipment	...	3,148.05
Gross Profit	800,513.32	656,477.18
Income Deductions		
Interest on Debentures and Trust Certificates	94,015.66	68,636.92
Other Interest	7,878.26	3,984.14
	101,893.92	72,621.06
Net Profit before Income and Profits Taxes	698,619.40	583,856.12
Provision for Income and Profits Taxes	286,979.00	256,700.00
Net Profit transferred to Surplus Account	$ 411,640.40	$ 327,156.12

SURPLUS ACCOUNT

Balance brought forward from previous year		$1,383,007.51
Add:		
Adjustments applicable to prior years		64,747.34
		1,447,754.85
Add:		
Refundable Portion of 1944 Excess Profits Tax payable March, 1950	$ 136,951.74	
Profit from Sales of Motor Coaches and Equipment	7,969.81	
Net Profit for year 1949 transferred from Profit and Loss Account	411,640.40	556,561.95
		2,004,316.80
Deduct:		
Amortization of Debenture Discount and Expense	9,312.25	
Dividends paid in 1949	210,000.00	
Transferred to Reserve for Contingencies	200,000.00	419,312.25
Surplus as per Balance Sheet		$1,585,004.55

Audited and Verified as per our Report of this date.

SHARP, MILNE & CO.,
Chartered Accountants.

Montreal, March 15th, 1950.

CONSOLIDATED BALANCE SHEET

As at December 31st, 1949

ASSETS

Current			
Cash in Bank and on hand		$ 203,894.81	
Accounts and Bills Receivable (Less Reserve)		211,619.25	
Refundable Portion of 1944 Excess Profits Tax, payable March, 1950		136,951.74	
Dominion and Provincial Government Bonds (Market Value—$943,250)		939,946.00	
Materials and Supplies (at cost)		467,293.57	
			$1,959,705.37
Investments in Associated Companies (at cost)			43,597.60
Fixed:—			
Motor Coaches and Equipment (at cost)	$8,329,770.64		
Less: Depreciation	4,917,706.54		
		3,412,064.10	
Buildings (at cost)	1,721,084.64		
Less: Depreciation	254,259.70		
		1,466,824.94	
Land (at cost)		739,424.93	
			5,618,313.97
Refundable Portion of Excess Profits Tax			159,741.06
Deferred Charges to Operation			55,615.02
Franchises			1,346,785.30
Unamortized Debenture Discount and Expense			72,620.08
			$9,256,378.40

Approved on behalf of the Directors:

RUSSELL D. BELL
FRANCIS FARWELL } Directors.

LIABILITIES

Current			
Accounts Payable (including provision for balance of Income and Profits Taxes)		$ 710,030.50	
Accrued Charges and Debenture Interest		120,567.07	
Unredeemed Tickets		377,689.52	
Equipment Trust Certificates 3% Series "A" instalment due March 15th, 1950		200,000.00	
			$1,408,287.09
Operating and Insurance Reserves			308,767.64
Reserve for Contingencies			500,000.00
Mortgage Payable			59,095.81
Equipment Trust Certificates			
3% Series "A" maturing $200,000 annually March 15, 1950-1954		1,000,000.00	
Less: Instalment due March 15th, 1950		200,000.00	
			800,000.00
Debentures			
Authorized	$3,500,000.00		
Issued			
2¼% Serial Debentures maturing $75,000 annually on December 1st		600,000.00	
Less: Redeemed to date		150,000.00	
		450,000.00	
4% Sinking Fund Debentures maturing December 1st, 1962		1,400,000.00	
			1,850,000.00
Capital Stock			
Authorized and Issued 350,000 shares of No Par Value			2,525,482.25
Earned Surplus			1,585,004.55
Deferred Surplus			
Refundable Portion of Excess Profits Tax			159,741.06
			$9,256,378.40

Audited and Verified as per our Report of this date.

Montreal, March 15th, 1950. SHARP, MILNE & CO., Chartered Accountants.

AUDITOR'S REPORT

We have made an examination of the Consolidated Balance Sheet of Provincial Transport Company and its wholly-owned subsidiary companies, Colonial Coach Lines Limited, Kingston City Coach Company Limited and Sherbrooke City Transit Company Limited, as at December 31st, 1949, and of the Consolidated Profit and Loss Account for the year ended that date. In connection therewith, we examined or tested the books and accounting records of the Companies and other supporting evidence, but we did not make a detailed audit of all the transactions.

Materials and Supplies have been certified as to quantities and values by responsible officials.

Ticket Sales and Cash Funds have been checked periodically by the Companies' Internal Auditor, from whom we have received certificates to that effect.

Included in Operating and Insurance Reserves is an amount of $253,492.64 reserved for the proportion of unsettled injuries and damage claims, payable by the Companies. The officials estimate this sum to be sufficient for the purpose.

We have received all the information and explanations we have required and, in our opinion, based on our examination, the attached Consolidated Balance Sheet and related Statement of Profit and Loss and Surplus are properly drawn up so as to exhibit a true and correct view of the combined affairs of the Companies as at December 31st, 1949, and the result of operations for the year ended that date, according to the best of our information, the explanations given to us and as shown by the books of the Companies.

SHARP, MILNE & CO., Chartered Accountants.

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High Sales, Expansion Aluminium Ltd. Outlook

MONTREAL (Staff)—On the basis of a busy first quarter and current bookings, including a new contract with the United Kingdom, Aluminium Ltd. expects a high level of sales in the first half this year, President Nathanael V. Davis told shareholders at annual meeting.

To meet current demand, its subsidiary, Aluminum Co. of Canada, recently reopened two pot lines at Arvida and last week put a second pot line into operation at its Shawinigan Falls plant.

Mr. Davis did not indicate how much aluminum was involved in the new British contract, but the British Ministry of Supply has announced that 96,000 metric tons will be bought from Canada this year with total imports from Canada for the year expected to be 136,000 tons. In 1946, the British Government contracted for delivery of 460 million lb. and contract was subsequently renewed for an undisclosed volume. Value of primary and semi-fabricated aluminum shipped to Britain last year amounted to $48.7 millions compared with $39.8 millions (318 million lb.) in 1948. Sales to the U. K. represented well over half the $89.8 millions of Canadian aluminum exports in 1949. U. K., U. S., ($20.2 millions) and Canada took 74% of total tonnage, with Sweden, Brazil and Holland the next largest customers.

Alcan's output of primary aluminum ingot in 1949 totaled 335,000 metric tons (333,000 in 1948 and 270,000 in 1947). Sales of aluminum in all forms by wholly owned Aluminium Ltd. subsidiaries was 339,000 metric tons (382,000 a year ago).

Competition Keener

As a result of the new exchange rates, Canadian-produced aluminum is facing keener competition in international markets from nondollar aluminum. "This new competitive element will probably persist to the extent that the original effects of devaluation are not offset over a period of time by rising costs within the countries which have devalued," the president noted.

There have been compensating factors, however, so that so far company's international selling activities haven't been seriously affected by devaluation, he added. At the same time, there's little indication that any near-term reduction of the barriers to international trade may be expected.

One feature of export demand for Canadian aluminum which should be kept in mind: In several important markets, it goes in part to satisfy peak demand of those markets, and may therefore be subject to more rapid fluctuations than the fluctuations that occur in the total volume of the individual markets.

Competition from other materials is increasing. Better supplies of these materials, often at somewhat lower prices, had its bearing on the company's commercial activities in 1949, Mr. Davis said.

While Aluminium Ltd. has been making investigations of several areas of the world for potential primary aluminum producing sites, it doesn't intend to go ahead with actual development until it's satisfied there are reasonable chances of success. Company continued technical surveys in British Columbia last year, also acquired an interest in West African Aluminium Ltd. which is looking into possibilities in the Gold Coast in West Africa.

5-year Development

Alcan's Peribonka power project is in a different category, he noted. The company intends to go ahead with this if current negotiations with the Quebec Government are successful. If undertaken, the project would visualize development of approximately 200,000 hp in stages over a five-year period, and possible further development in later years. This would bring power generating capacity more nearly into balance with aluminum capacity, permit operation of productive facilities which have been idle much of the time due to lack of power.

Of $69 millions spent on fixed plant in last four years ($18.2 millions in 1949), 40% has been for fabricating operations to expand market for company's ingot output and for aluminum products. Northern Aluminium Ltd. (England), with present output of about 70,000 metric tons of semi-fabricated products, expects to have 50,000 tons extra capacity in production this summer. In 1949, new foil and strip mill in South Africa started up, is being enlarged. Immediate expansion program for fabricating facilities in Canada and Switzerland was completed. Similar programs in Norway and Mexico were continued, new plans laid for India.

Company expects to spend a further $15 millions on capital account in the near future, mostly for completion of Northern Aluminium's program, rehabilitation and expansion of Brazilian plant and establishment of a new bauxite mining enterprise in French West Africa.

The bauxite project, on which construction starts this summer, involves new mining, milling and shipping facilities to handle 250,000 tons of bauxite ore per year. A $7 million venture, this new plant on the Los Islands off the coast of French Guinea will provide a new source of supply for Arvida's aluminum plants.

Breakdown of shipments to various industries shows how aluminum is being used:

	1949 %	1948 %
Bldg. & construction	28	34
Transportation	21	17
Household supplies	20	22
Electrical industry	16	14
Food & farming, canning & packaging	8	7
Chemical industry & other	7	6
	100	100

In terms of tonnage, two-thirds of aluminum sales is primary ingot and ingot alloy; one-third semi-fabricated. In terms of value, ingot and alloys accounted for 38% of consolidated sales in 1949; semi-fabricated aluminum products, 49%; all other products and services, 13%.

PROVINCE OF ALBERTA has called its 3½% debentures and sterling stock dated June 1, 1945, and outstanding on March 1, 1950, for redemption as of June 1, 1950, at 100 and accrued interest.

The debentures bear serial numbers commencing A-1, B-1 and C-1 and upward, and the stock, D-1 and upward. The debentures were to mature June 1, 1961 to 1980 and the stock was to mature June 1, 1979.

Payment for Series "A" debentures will be made at the principal office of the Imperial Bank of Canada in Toronto, Montreal, Winnipeg, Edmonton or Vancouver. Payment for Series "B" debentures will be made as above and at the bank of the Manhattan Co., New York. Payment for Series "C" debentures will be made at the above-mentioned points in Canada and New York and at Lloyds Bank Ltd., London, Eng. Payment for Series "D" stock will be made by Lloyds Bank Ltd., London, Eng.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

ANDIAN NATIONAL CORP. net profit of $1,148,658 for 1949 was up 78.3% from the 1948 net of $644,538. The increase reflects the results of the first full year of operation on the increased pipeline tariffs which became effective Oct. 1, 1948 and also the transportation of about 31% greater volume of oil, President L. P. Maier states.

Company earnings from pipeline operations are in Colombian currency convertible to dollars in accordance with exchange control regulations of Colombia. "Your company is currently developing this aspect of its operations with the Colombian Government with some success in regard to dollar operating expenses. Your directors are hopeful that a basis soon will be found for the remittance also of dollars for capital outlays and earnings," Mr. Maier states . . . . "The results of current discussions with the Colombian Government towards dollar remittances will necessarily have an important influence on future dividend disbursements."

The new pipeline facilities, consisting principally of eight new booster pumping stations, are progressively going into operation and it is expected that all new units will be operating in April.

Pipeline operations averaged 13,343,000 barrel-miles per day (10,185,000 in 1948), the increase being attributable in part to continuous operation throughout 1949 as against the shutdown in early 1948.

INCOME ACCOUNT

Years Ended Dec. 31:	1949	1948
Total net income	$2,648,301	$1,512,631
Less: Depr. & amort.	248,345	221,711
Taxes	1,251,298	646,382
Net profit	1,148,658	644,538
Less: Dividends	1,020,000	892,500
Surplus for year	128,658	*247,962

*Deficit.

Earnings per Share and Dividend Record:		
Earned	$0.45	$0.25
Paid	0.40	0.35

CONDENSED BALANCE SHEET

As at Dec. 31:	1949	1948
Cash	$1,344,842	$351,526
Invest. at mkt.	172,134	270,441
Int.-bear. dep.	2,590,000	5,864,420
Accts., etc., rec.	508,442	382,177
Inventories	1,708,859	1,518,742
Total curr. assets	6,324,277	8,387,306
Deferred assets	96,811	119,982
Fixed assets*	6,686,603	4,196,103
Total assets	13,107,691	12,703,391
Total curr. liabs.	1,233,941	628,479
Reserves	937,517	1,267,337
Capital stock	10,200,000	10,200,000
Earned surplus	736,233	607,575
*After depr. of	22,800,902	22,682,531
Working capital	5,090,336	7,758,827

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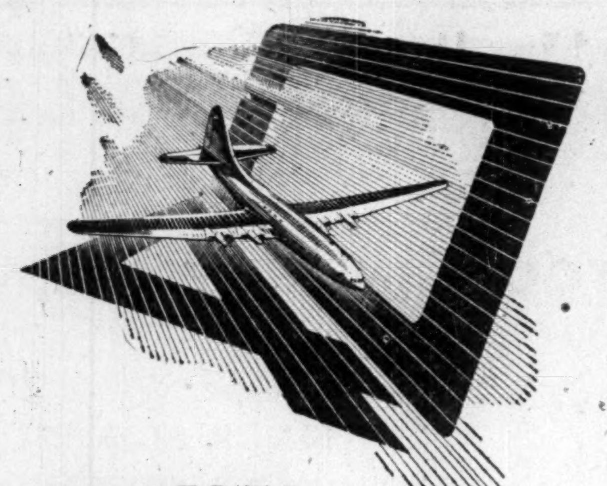

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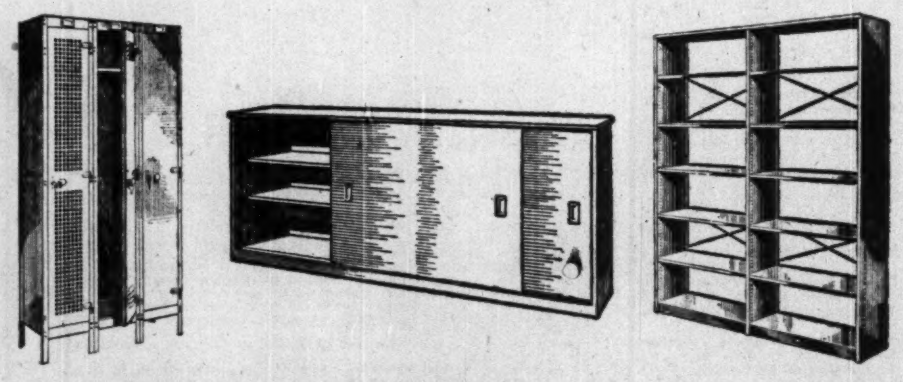

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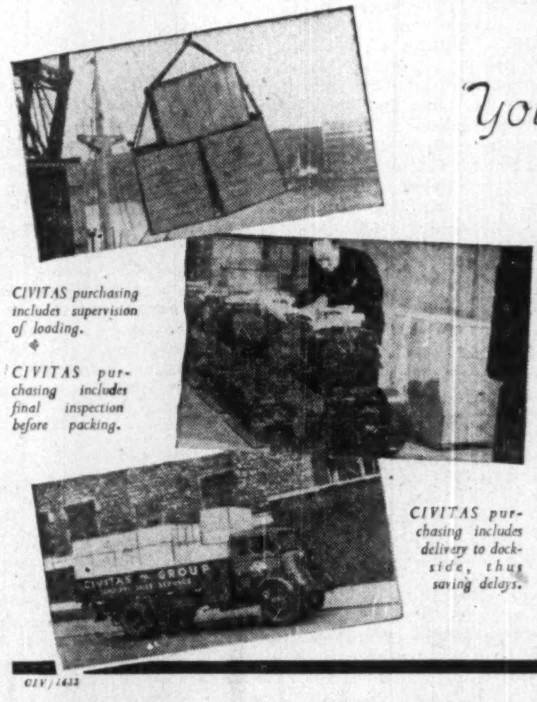

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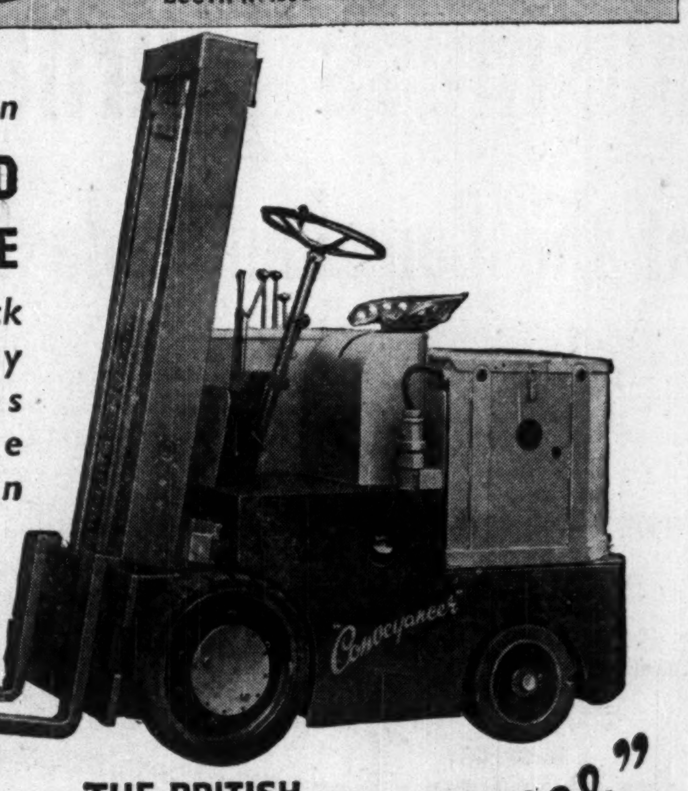

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ABOUT YOUR TAXES

What New Corporation Tax Regulations Can Mean to Private, Close-Held Firms

By STUART THOM, LL.B.

For the fourth time since income tax began in 1917 the Government has extended a measure of relief to shareholders of companies with accumulations of undistributed profits.

In 1919 the tax on dividends was lifted to the extent that they were paid out of pre-1917 profits. In 1930 an opportunity was given to wind up or reorganize without the shareholders being charged with receipt of constructive dividends in respect of pre-1930 surpluses. By 1939 remedial action was again imperative but on this occasion it was preceded by the deliberations of the Ives Commission and was not reflected in the Statutes until 1945. The scheme of allowing the company to pay a tax in return for tax-free dividends was set up by Part XVIII of the Income War Tax Act and its method of operation is well known. As compared with the 1919 and 1930 schemes, it had several novel features. It involved additional tax by the company; it was restricted to private companies and it was closely supervised by the Department.

The 1950 operation heralded by the Budget Resolution of a few weeks ago and revealed in the amendments to the Act now introduced into Parliament has its own new approach but with points of resemblance to past efforts.

Its great and noteworthy feature is that it is not merely a palliative to meet the familiar crises in the free flow of company profits into shareholders' (and the Government's) hands. Rather it is integrated with a scheme which the Government no doubt hopes will avoid, in a limited field at least, a recurrence of the malady.

* * *

Why Do Surpluses Pile Up In Closely Held Business?

Why closely held businesses should be chronically addicted to piling up undistributed income has never been conclusively dealt with.

The question is not one that permits any single answer, but the cure must have some relation to the causes. Chief among these is the necessity or convenience of finding new capital for expansion out of savings. Another is the reluctance to expose any more than necessary of the already well-taxed profits to high personal rates of tax. The results, however, are obvious enough.

One of the more deplorable consequences is the position of a successful businessman who arrives at the point of his career where he must start thinking about succession duties and has his estate almost entirely tied up in his business. This situation presents the frequently impossible task of raising funds to be derived from the company's surplus to pay death duties. As an incidental result, it often leads to wrecking the business or having to sell it out of the family.

The pressure generated by efforts to cope with these problems has led to a variety of schemes and devices which often have tax-avoiding features.

The Government's spokesmen, in discussing the Budget Resolution, have made it clear that the foregoing were the considerations in mind in shaping the new legislation and, if this is kept in mind, the effectiveness and limitations of the scheme will be better understood.

* * *

What the New Regulations Mean to Private Companies

With regard to existing income surplus (up to the end of 1949), the company may give it a tax-paid character by paying 15% of it to the Government.

With regard to future profits, up to one half can be given the same treatment for the same price, provided an equal amount is paid out by way of dividends. The mechanism of the scheme is found in a new Part IA.

The privilege of taking advantage of the plan is limited to what are called private companies. A private company is defined by the Act (Section 95A) and the only requirement is that the number of shareholders may not exceed 75. There is no cut-off date as there was for the purpose of Part XVIII. The shareholders of any company, if so minded, apparently can, by bunching up their holdings, bring themselves within the definition, or the holders of 50% of the shares of a company, by turning them over to a holding company, could give the former the status of a controlled company and thus entitle it to take advantage of the plan.

There is no time limit before which the decision to pay the 15% tax must be taken. Under the legislation as it stands in the Bill, the privilege will continue indefinitely or until the law is changed. The change from the strict requirement of XVIII is obvious. When and if the company decides to act, the whole undistributed income on hand at the end of the 1949 fiscal period must be given the tax-paid characteristic by paying 15% thereof to the Crown. The company has no option to treat only a part of its surplus in this way.

The 15% tax, of course, is not charged on already existing tax-paid profits created by a Part XVIII transaction, but not yet paid out. New Section 95A lays down the steps to be taken in arranging for payment of the tax and provides for assessment, appeal therefrom and interest on arrears as though the payment were an ordinary income tax transaction.

* * *

Position of Company In Years to Follow

A company which has paid this 15% on pre-1950 undistributed income may take advantage of the second part of the scheme in the years which follow.

Again there are no deadlines to be met and the creation of further amounts of tax-paid undistributed income may be undertaken at will. The whole amount of future income need not be dealt with under the plan and the only requirement is that the amount to be given the tax-paid status is balanced by an equal amount paid out in dividends. (In the Bill, as first printed, there is understood to be a misprint in line 28 on page 22 and the word "year" should be "years.")

Having thus acquired a fund of tax-paid undistributed income, the company is left to its own devices as to what to do with it. The Budget Resolution suggests that it might be capitalized, but there is no statutory obligation to take any formal steps for such purpose. The company, if it wishes, can promptly wind up and the tax-paid income will not attract any further tax when it reaches the shareholders' hands.

The company may provide for a stock dividend. As dividends are now defined, they include a stock dividend, but this provision is to be repealed and stock dividends to the extent that they capitalize the tax-paid income are not themselves taxable income in the hands of the shareholders. (So provided by new Section 73.)

* * *

Is There Tax Credit On Nontaxable Income?

This new Section 73 replaces the existing Section 9 which is repealed outright. The first three subsections of Section 73 duplicate the identical subsections of Section 9 and provide for the constructive dividends deemed to be received by shareholders in the case of the winding up, reorganization, etc., of a company with undistributed income on hand.

A new subsection 4, however, provides in effect that where a shareholder is deemed to receive a constructive dividend, the part of it accounted for by tax-paid income of the company is not taxable income in the shareholder's hands. The amending Bill, as it now reads, does not limit the right of an individual to claim the deduction from tax of 10% of dividends received to the taxable part of the dividends so received. It would be an exhilarating experience to enjoy a tax credit based on income not itself taxable, but the Government might before the Bill finally becomes law do something about it.

Amending legislation of the scope and complexity of new Part IA and related sections can be summarized only in general terms. It can be said that the undistributed income which under the 1950 Act is given a tax-paid character cannot be passed out as a tax-free dividend as was the case with undistributed income which became tax-paid under Part XVIII.

Actual dividends as distinguished from constructive dividends will continue to be wholly taxable in the hands of individuals; but by issuing a stock dividend, by creating a class of redeemable preference shares, by reducing capital, by winding up or by some similar activity, shareholders can provide for the eventual or immediate receipt of tax-paid undistributed income as though it were capital and thus nontaxable in their hands. (A constructive dividend, broadly, is a benefit to a shareholder which while not actually paid out to him is "deemed" to have accrued to him because something else was done such as a reorganization, etc.)

* * *

Leaves the Field Open For Business Judgment

Anything like a conclusive appraisal of the merits of the new scheme must await actual experience with its operation, but the Government appears to be offering closely held companies a very fair bargain.

Not the least of its merits is the broad field left open for the exercise of business judgment—first as to whether to come under the scheme or not, and secondly as to future profits and the amount to be dealt with. As evidence of the Government's good faith, in offering closely held companies the opportunity of working out their own salvation the notorious subsection 6 of Section 9 will be repealed and the threat of forced dividends thereby removed.

A prerequisite for the operation of the plan is a statutory definition of what is comprised by undistributed profits. New Section 73A contains this definition which is available for all purposes of the Act, not merely for the purpose of the new Part IA. It will be noted that with respect to capital losses there is a rest at the end of the 1949 fiscal year and capital losses and profits from 1950 on start a new balance. It appears that undistributed profits under the definition include tax-paid undistributed profits, the latter being part of and not separate from the former. In reading the provisions of Part IA, it is helpful to bear this in mind.

PAUL L. BELCOURT

has been appointed assistant secretary, Canadian National Railways, Canadian subsidiaries and Canadian National (West Indies) Steamships.

Fine Paper Prices Higher Demand Remains Strong

MONTREAL (Staff) — Despite price increases of about 10%, the market for fine papers is continuing strong, trade sources here report.

The price increases have been made to offset recent wage increase and higher freight rates, fine paper manufacturers reported. The higher wages became effective May 1, the price increases May 5.

Demand for all fine papers has been good, wholesalers say, with deliveries on some types, especially coated stock and book papers, running as much as three or four months behind. Papermakers report a much improved order position over a year ago.

Some increases on individual types were made earlier in the year, but recent increases apply to the whole range, it's understood. They differ according to grade (e.g. $11 a ton on rag, $8 on book and writing, $4 on sheeting, etc.), and exclude extra charges for rulings, trimming and packing.

Paper manufacturers point out that not only have wages and freight costs (both for incoming raw material and outgoing finished products) increased, but the effects of devaluation on imported materials such as white clay, chemicals and in some cases, rags, had to be offset.

One source pointed out that strong demand prior to the price increase was believed due partly to expectation by customers that prices were likely to go up. However, even with the higher prices, there seems to be no let-up in orders, he said.

Here's Analysis of Major Points Raised In Tax Resolutions Before Commons

By STUART THOM

The 1950 amendments to the Income Tax Act run to 48 Sections and cover many more topics than are discussed in the Budget resolutions. With regard to some of the resolutions, the proposed legislation has received considerable publicity and interested taxpayers will now be able to acquaint themselves with the details by direct reference to the Bill.

Resolution No. 1 had to do with those cases where, because of the fact that they were related, not more than one company of a group can claim the 10% tax rate on its first $10,000 of income. Section 36 will be amended to provide that there must be at least 70% ownership of the common stock before one company is considered to be related to another.

Careful attention must be given in particular cases, however, to new sub-section 5 which can have unexpectedly far-reaching effect by virtue of the chain of relationship which it sets up. Specifically, for example, Company B is related to Company A and Company C by reason of stock ownership, and Company C is related to Company D for the same reason; then Company A and Company D, which have no direct stock relationship, are nevertheless related for the purpose of the Section.

Resolution No. 2 has to do with the relief afforded private companies and has been given extensive comment elsewhere in this issue.

Resolution No. 3 was intended to assure mining prospectors that their activities in setting up companies to develop properties which they had discovered would not expose them to tax on profits which they might realize from the sale of the shares of that company. The statutory provision will be a new Section 73B and is limited very carefully to the activities of bona fide prospectors.

Resolutions 4, 5 and 6 are of special application to the income and taxes of those engaged in producing, refining or marketing petroleum products and the technical provisions of the Statute in that regard are not of general interest.

Resolution No. 7 extends the provisions of Section 18 to include lease-option agreements of land and buildings. It is dealt with in the Bill in Section 7 and the extended application will cover contracts entered into in 1950 and subsequent years.

Critical comments on the new provision are not the result of the amendment, but relate to the principles underlying this approach to lease-option agreements. A pertinent question is: in how many instances is there a price fixed by such a contract, which price will serve as a basis for the depreciation, or as it is now called, allowances in respect of capital cost. Nor does the Section appear to give consideration to cases in which the rent reserved in the contract is intended to include something for interest on the balance payable which itself would be a deductible expense.

Resolution No. 8 is given expression in Section 96A of the Act in terms which do not appear to introduce any feature not heralded in the Resolution itself.

The provisions of the Bill not covered by Resolutions extend over a wide field and the notes which follow deal with those matters by commencing at the beginning of the amending Bill and picking out those which seem of the most general application. The references to Sections in the headings which follow are to Sections of the amending Bill.

Death Benefits Taxable Income—Sections 1 and 43:

Death benefits are defined in Section 43 of the Bill to be amounts received after the death of an employee by his widow or his estate "in recognition of his service" and are taxable to the extent that they exceed the remuneration received for the last three months in the employment.

The language would have been more apt if it had said "paid" rather than "received" in recognition of service. It is a fair assumption that the Department will give the definition a wide meaning and will consider that any doubts which may have existed as to the taxability of death benefits are now settled. Under the circumstances, it would have been equitable if the legislation went on specifically to allow such payments as a deduction from the employer's income. If the Department adopts a strict interpretation of the law as it now stands, a good case can be made out for treating them as non-deductible.

Profit Sharing Plans—Sections 1 and 27:

These will be the subject of a new Section 71A in the Act and the conditions precedent to an employer claiming deductions for payments made to such a plan are closely defined.

It is required that the payments be made to a trustee, although there is no prohibition against the employer being Trustee as well. All payments received in the year plus profits from the trust property must be allocated to individual officers and employees, and the amount allocated is included in computing the beneficiaries' income, subsequent payments not being taxed when received. The allocation may, however, be contingent only, which apparently makes no difference to the employee's obligation to pay tax in respect of the amount thereof. No provision is made for what will happen if the contingent allocation is not made absolute or is not paid in cash. No provision is made to apply the tax withholding procedure under Section 44 of the Act to allocations under the profit sharing plan and indeed it may not be necessary or, for that matter, feasible to do so.

Interest Deduction—Section 5:

An effort is made to adjust the law to the practice as it existed before the decision in the McCool case.

The amendment to Section 11 (1) (c) of the Act will permit the deduction of interest paid or payable on borrowed money (as at the present time) and on amounts "payable for property acquired for the purpose of gaining or producing income."

It does not appear that the amendment will cover all cases in which taxpayers might reasonably expect to be allowed to deduct interest. For example, there is the case of the purchase of property subject to a mortgage. The mortgage and interest thereon is paid by the purchaser, but he gives no covenants in respect thereof. The requirement that the amount claimed be reasonable has been condensed from a clause of about forty words into one of ten with considerable loss of clarity regarding the intention of the statute on that point.

Partnerships—Sections 6 and 13:

These amendments are intended to afford relief to partners or the estates of partners where because of the combined action of partnership law and the Tax Act the individual or his personal representative may come under an obligation to pay tax in one year on more than twelve months' income from the partnership.

Allowance for Capital Cost—Section 8:

One of the weaknesses in Section 20 of the Act as introduced last fall to provide the statutory foundation for the new scheme of capital cost allowances was that sub-section 1 did not meet the case where the taxpayer, having disposed of all the assets of a class, acquired further assets of the same class before the end of the year. The current amendment provides for the cases where the proceeds of disposition are less than or exceed the cost of the new assets.

Transfer of Right to Income—Section 9:

The existing Section 23 of the Act is apparently considered inadequate to cover all the cases which can arise whereby a taxpayer seeks to avoid tax by transferring the right to income to some other person with whom he has close associations. As it stands, the Section is invoked by a transfer to a person connected by blood relationship, marriage or adoption. The amendment will have the effect of extending it to any case where the transfer is to a person with whom the transferor was not dealing at arm's length. This will include not only the class previously covered, but trusts and corporations under the control of the transferor.

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LONDON CALLING—*By Adelphi*

Londoners Bask in Unexpected Summer As Allies Ready For Red March on Berlin

LONDON — Summer has arrived in England. We read with much sympathy of the ordeal through which the citizens of Winnipeg are passing but here on the Serpentine it's bathing, sunbathing, days on the water.

We know of course that winter may return by Saturday but in Britain you become a fatalist. Therefore we sit in the park without hat, jacket or waistcoat and blink our eyes at the summer sun. Whether this is the best way to bridge the dollar gap might be debated but the English have been here a long time and they obstinately believe they will be here for an even longer time, so they see no reason why they should not sit in the sun and watch the ducks go by.

* * *

There are, however, certain things happening which cannot be dismissed even in such lovely weather as this. We were all angry a week ago when a British fishing trawler was boarded by a Russian destroyer crew and arrested on the charge of fishing in Russian waters. The British Parliament got very angry and the Minister of State, who is second in command to Foreign Secretary Bevin, sent off a peremptory note to the Kremlin demanding to know what they meant by such conduct.

I can assure you that the Tories were breathing defiance in all directions. However, the Russians sent a polite note to the effect that the trawler was inside the three-mile limit, that a fine of £30 had been imposed, and that on payment of the fine the trawler and its crew would be released.

As no one could take exception to this, the incident is now closed.

* * *

"Hitler Alive" Again Now in Tibet Monastery

A more sinister matter is the much-publicized march of 500,000 members of the German Freedom Youth Movement in the Russian Zone which is timed for the Whitsun holiday. These boys mean to march into the Western Zone of Berlin and proclaim the principles of peace, liberty and freedom as they are exercised in the Russian Zone.

The Allies are mobilizing their military and police strength to ensure that the peace-mongers do not go too far. The Sardonic Dramatist himself could hardly improve on that.

In the meantime a pro-Nazi publication in the British Zone has published a sensational story that Hitler is alive in a Tibetan monastery and that he says Nazism will rise again as in 1933. This fake was hawked around Fleet Street a year ago, and even the tabloids would not touch it. But to the sodden Wagnerian German mind it might be dangerous.

Characteristically nothing is said about the woman whom Hitler married before his suicide. But after all she could hardly be incarcerated in a monastery.

* * *

What's For Britain Out Of Ruhr Plan?

However, the big sensation of the week was when the Prime Minister of France announced out of the blue that he was ready to create a cartel at Government level with the Germans to blend and control Franco-German coal and steel production. No one can deny the dramatic impact of such an announcement. From 1815 until today the Franco-Germanic antagonism has brought untold misery to Europe. Three times within living memory France has been invaded by Germany, although in two of the wars Germany was the ultimate loser.

The French Premier has announced that the plan is not merely bilateral but is open to any other European power. At the moment the British are trying to estimate the full implications of the plan. Politically it is admirable since the whole of western civilization is trying to save Germany from the clutch of Russia. But what does it mean in economic terms?

Undoubtedly the Germans can produce steel and coal cheaper than Britain, for the simple reason that Germans work harder and are paid less. Then how can you regulate markets?

* * *

Beaverbrook Sees Move To Rend U. K. From Empire

Inevitably Lord Beaverbrook in the Daily Express sees in the move a further attempt to force Britain into Europe at the expense of the Empire. I do not ridicule this attitude because Beaverbrook has a habit of being right even though he may produce insufficient arguments.

The danger of internal Imperial divergence was evidenced this week when His Majesty's Government announced its intention of assisting in a Commonwealth Loan to Burma. But it turns out that neither Canada, South Africa nor New Zealand are contributing to the loan. A Tory M. P. asked why. The Minister of State, deputizing for the sick Ernie Bevin, retorted that the M.P. had better ask the Governments who contracted out.

So if Mr. St. Laurent gets a letter from a British M.P. asking him to explain the conduct of his Government I hope Mr. St. Laurent will not be surprised.

* * *

Big Welcome For Dean Acheson

Mr. Dean Acheson has turned up in London and was given a dinner by the Pilgrims Society which is dedicated to Anglo-American good will. The former Montrealer, Sir Campbell Stuart, is president of this influential Society and he conducted himself well. Mr. Attlee and Mr. Eden were there, but there were some raised eyebrows at the absence of Mr. Churchill.

Like all American statesmen (and perhaps Canadian) Mr. Acheson is charming and amusing in private conversation but heavy as lead in public speaking. This is one branch of human activity in which the British have no competitors. The British believe that truth is only acceptable when it is embellished by eloquence and humor. As a cynic once said: "When an American or Canadian politician speaks he always sounds as if he is dictating a letter."

I do not know whether this is true or not. At any rate Londoners are looking forward to the speech of External Affairs Minister Lester Pearson at the Canada Club. After all he was a Rhodes Scholar so he may contrive to demonstrate the best of both worlds.

* * *

How Derby Chances Are Shaping Up

To turn to lighter things the American horse Prince Simon, favorite for the Derby, made a fool of the other horses in a race this week at Newmarket. He started at 5-1 on, which means that you would have had to put up £500 to win £100. Personally I would have thought it was a trustee investment for widows and orphans. After all a return of 25% on your money, untaxable, is not to be sneezed at.

As a result of his easy victory he is now a hot favorite for the Derby. I have placed a £1 bet at 2-1 for Floyd Chalmers without his knowledge or consent. After all if Prince Simon wins I will not be allowed to send the winnings to Floyd, and if he loses Floyd, as a man of honor, must remit to me. Would that all financial ventures were on this agreeable basis.

Perhaps because it is so hot and sunny London is having a furious debate over T. S. Eliot's play "The Cocktail Party" which is a huge success in New York but has had a mixed reception here. My own guess is that it will run for three months and then flop.

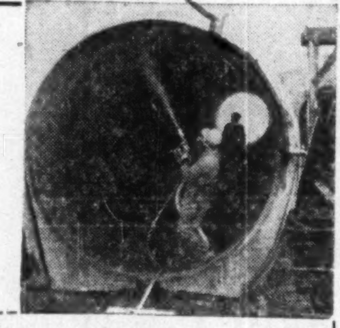
* * *

Politically there is not much happening in London. The only question is the date of the next General Election. The Socialists are divided into those who want an immediate appeal to the country (Aneurin Bevan is the leader of this section) and those, headed by Mr. Attlee and Mr. Morrison, who want to put it off as long as possible.

This much I can tell you. As the result of the set-back to the Socialists at the General Election, the spirit of the British industrialist has risen remarkably. Life is vibrant here again and there is confidence and even bravado in the air. The British must be great or nothing. There is no middle way for them.

* * *

Now I shall go to Hyde Park and sit in the sun. I might even wander to Spouters' Corner and hear some tub thumper denouncing the King as a parasite while a policeman stands by him to see that no one molests him.



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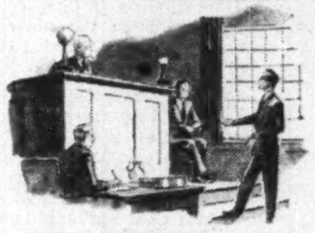

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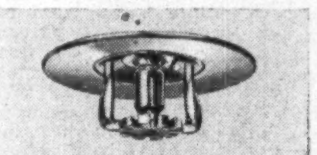

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WHEREVER THERE'S BUSINESS THERE'S
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The Financial Post

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The Department Stores Of Financial World

How Trust, Loan Men Serve Nation

By HARLEY POTTER

Have you been tossed into a business problem you're not familiar with? Such as running a fox farm or even a circus?

Or are your problems personal—winding up an estate, building a house, borrowing on property?

Canada's 64 trust companies and 48 loan companies may not be able to solve all your problems, but to a growing number of Canadians every year they have become the department stores of the financial world.

That, in effect, is what they are. Department stores for business. No problem is too small, none too large to gain their attention.

Loan companies, for instance, are interested in everything from a bungalow to a skyscraper. Last year in Canada they approved 4,504 gross mortgage loans on new single dwellings. It meant they paid out, to help those people get their houses built, more than $19 millions.

For 499 other new construction real estate jobs, apart from residential housing, they loaned $11.9 millions. That's just two items in their $79.4 million 1949 program involving more than 17,000 mortgages.

Trust companies don't get into the mortgage picture quite so heavily, but they were in there for $8.9 millions on 1,836 new single homes, and a gross total of 6,840 mortgage loans worth $30.7 millions, according to the 1949 report on Central Mortgage & Housing Corp.

But loaning money on mortgages is only one side of the trust company picture.

One company now manages an undertaking business. At one time one ran a circus—made sure the animals were fed, etc.

Among other things they have looked after were a flour and fancy feed mill; an antique business; a company engaged in dredging operations; a paving company, and a livestock farm. A fox farm was a recent company charge. One company recently disposed of a stamp collection for about $500,000.

How They Get Into Business

How do the trust companies get themselves into those businesses?

Here are two main reasons:

(1) When an estate is turned over to them for winding up, or to be managed for the survivors of the estate until they decide what to do with the business; or

(2) When a busy executive or inexperienced individual suddenly finds he has on his hands a business he's too busy to handle, or one he isn't familiar with.

For instance, what would you do if you inherited a considerable amount of revenue-producing real estate, or were made executor of an estate which had considerable property? Chances are, you wouldn't have the time to collect the rents, look after property repairs, buy and sell property. That would be true particularly if you were out of town a great deal in your own business, or if the property were in a different city from your home.

That's where trust companies come in. They'll take over the management of the property; sell, buy or appraise property, supervise buildings, get new tenants. It's a package service in which you get the advice and experience of all their experts for the one fee.

It can manage your securities, altering your holdings to your advantage on a basis which you can decide in consultation with them. Depending on whether you want capital appreciation, maximum regular income, or safety of capital, they'll advise you as to the moves which look best.

Acting As Executors

As indicated earlier, one of the biggest services of trust companies is acting as executors of estates. That, in itself, covers a whole field, with many problems. Here again, the availability of the staff of experts is a big asset. A personal executor may move out of town, die or just show lackadaisical interest in the job. But a trust company is a group of experienced executors—specialists in many fields. Their job is to conserve and where possible increase the value of property left to the family or others.

That, too, is where the estate planning of trust companies can be an important factor. Without planning, there might not be enough liquid assets to pay expenses, or to pay the taxes involved in winding up an estate. The company will consult "clinically" with the life underwriter, lawyer, accountant to guard the interests of the heirs.

With proper planning, you can leave a trust which will take care of the Education of children through high school and university, set them up in business or profession, etc.

Among the specialists of trust companies are the tax experts, and they run into almost as many questions as the Income Tax Department. They'll handle individual tax returns; they'll also look after the complicated returns that can arise in connection with estates and trusts.

In addition to your other activities, are you the secretary of a corporation or small business? The trust company can mail the meeting notices, record the minutes, file annual returns, and otherwise carry on routine duties which might eat into too much of your own productive time.

That's a part of the confidential type of service they render. Sometimes a businessman has good reason for not wanting to reveal his identity in a business deal. The trust company will act for him: hold title to property in its own name; hold securities, money, etc., in escrow, until an agreement is carried out. Then the complete package can be signed, sealed and delivered.

Pension Plan Management

The management of pension plans is a specialty of some trust companies. They fit into pension programming in more than one way.

First, of course, is your personal pension. When you buy trust guarantee certificates, or turn your property over to the trust company to administer, you may be thinking about your own personal pension, of the time when you can retire from active participation in business affairs, and let someone else look after the detail.

On the other hand, there are the pension plans of industry. Companies that have so-called "self-administered" pension plans frequently call on a trust company to handle the actual investing of funds.

Even where a fund is of the "insured" type, handled by an insurance company, a trustee or trustees are often interposed between the insurance company and the employer-employee group, for greater flexibility of administration.

What trust companies can do for individuals, they also do for corporations, family businesses, religious, academic and other organizations. They'll invest idle funds, manage real estate, settle the estates of employees, look after widows. Their special financial services include acting as trustee under bond mortgages, as registrar and transfer agent for stock, paying agent for bond interest and dividend disbursements, and they are experienced as liquidators or trustees in bankruptcy.

All these services add up to the case in which you pay money for the service you want. But the trust companies also render another service. They'll accept deposits of savings, on which they pay rates ranging from 1½ to 2½%. Checking privileges go with the account, and a surprising number of their accounts are by mail.

They also sell certificates for fixed terms, often five years. Rate of interest varies, around 3%. In both these relationships, the trust company invests the clients' money and pays a guaranteed rate of interest, charging for the service an amount between the rate of interest and the rate the money is able to earn when they put it to work.

Work of Loan Companies

Along the same lines, but in a more specialized field, is the work of the loan companies. In 1939, they had 66% of their $258 millions of assets in mortgage loans on real estate. With wartime drop in housing construction and high repayment of loans, that proportion dropped to 48.1% in 1945. It's been on the increase since then; in 1948 (latest year available) it was 54.9% of their $351 millions assets.

What does a mortgage company look at when you want a loan?

If it's for a home, it looks at the type of house, the cost and size in relation to your earning power, the size of your family, the amount of your down payment.

The loan terms run about 5%; repayment periods are usually shorter than those under the National Housing Act.

But loan companies enter into the picture in more than building a new house or sprucing up the old one. If a long illness or some other trouble—such as an expensive damage suit—strikes, they'll loan on your real estate and spread the payments over a long period.

As with the trust companies, loan companies also accept savings accounts. Interest rates vary from 1½ to 2½%; theoretically, you can be asked to give 30 days' notice before withdrawing on most deposits, but it's practically never required in practice.

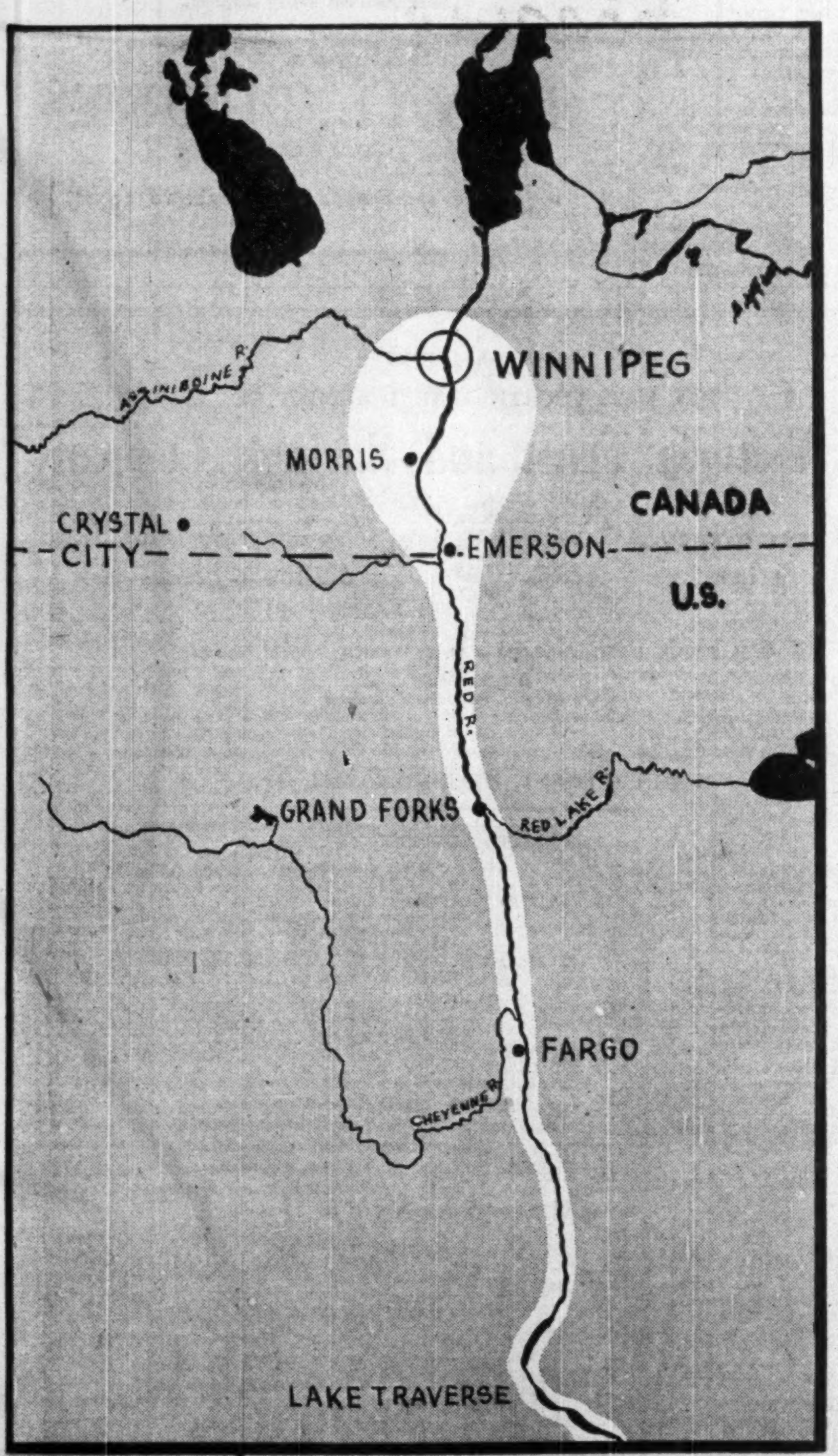
For a longer term, higher-interest investment, there are loan company debentures. These run from two or three years to 10 years, bear guaranteed rates of interest of 2¾% or 3%, depending on length they have to run.

More Money in Mortgages

Cash disbursements and repayments on mortgage loan account ($000)

	Life Ins. Co's	Trust Co's	Loan Co's	Frat. Soc.	Fire Ins. Co's
FOR 1949					
Paid Out	212,275	27,770	66,370	8,016	1,085
Repayments	80,880	20,037	31,516	3,521	528
Net New Money	131,395	7,733	34,854	4,495	557
FOR 1948					
Paid Out	189,747	26,790	60,181	7,485	1,185
Repayments	66,609	17,752	32,148	3,285	282
Net New Money	123,138	9,038	28,033	4,200	903

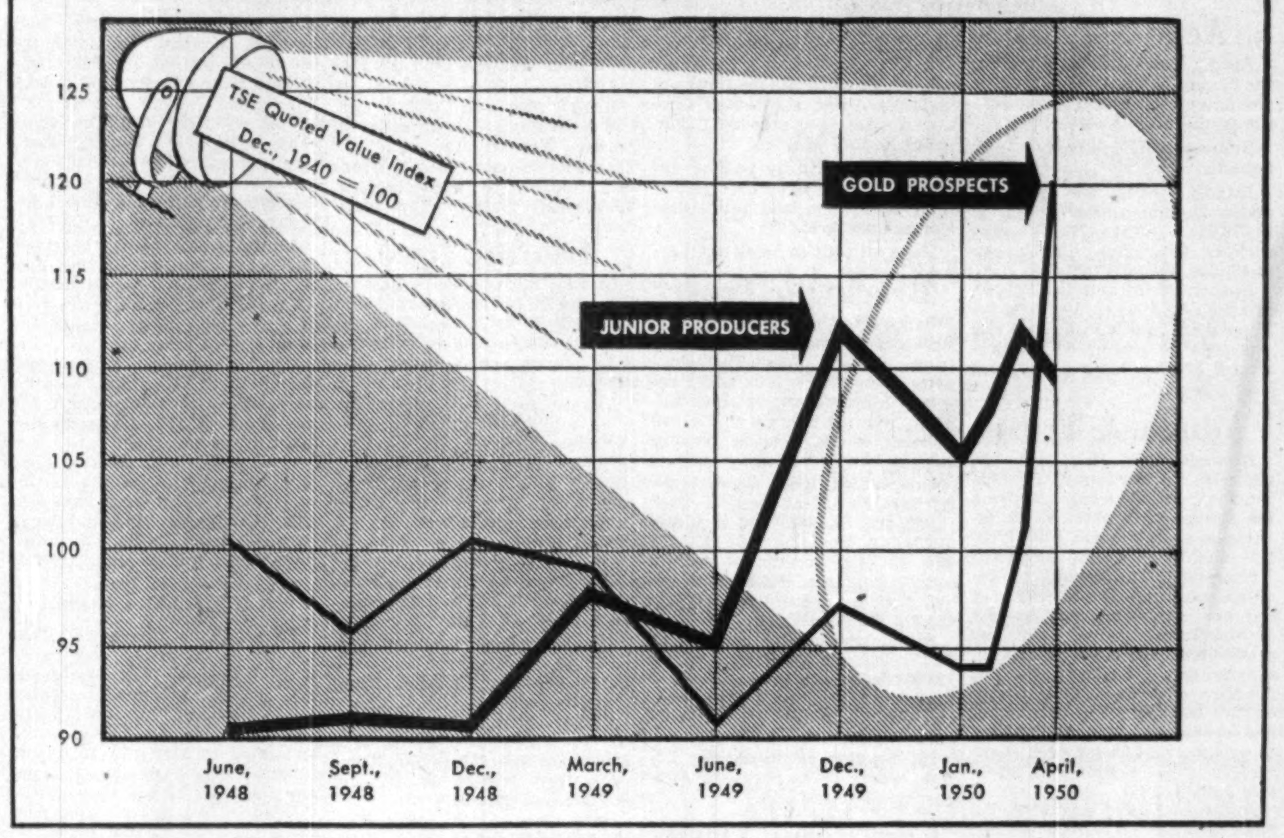
Where Red River Rampages



Here's where rampaging Red River, its ice melting first in the south, picking up spring tributary floods as it moves north, has hit hardest (areas shown in white) flooding 600 square miles of Manitoba with Winnipeg in the centre of the worst hit area. Seven square miles of the Metropolitan area have been under water; the city engineer estimates cost of flood fighting at more than $1 million. An estimted 50,000 have been left homeless in the wake of the flood, crest of which at midweek topped 30 ft.—just 4 ft. below the elevation of Winnipeg's bustling Portage and Main Sts. centre. (See story, pages 1 and 7.)

How Gold Prospects Are Holding the Spotlight

TSE Record of non-producing hopefuls shows public interest



What's Behind Splurge On New Gold Stocks?

Prospects Draw Speculators' Millions

By GORDON M. GRANT

"In the spring a young man's fancy lightly turns to thoughts of love."

Canadian mining provides a distinct 1950 analogy for Lord Alfred Tennyson's famous saying.

This spring, speculators — clerks, storekeepers, housewives, doctors, et al. — have been paying court to an old love: Gold stocks. Investors are talking possibilities of gold stocks with a new affection.

April volume on the Toronto Stock Exchange at 47.7 million shares was the highest since January, 1946 (the month the last gold mining boom expired). Golds were perhaps the greatest single factor boosting April volume higher.

A renewed psychological urge to speculate, rather than any tremendous new development such as an increase in the price of gold, appears to lie behind the latest boom. Gold prospects have shown a new ability to respond marketwise to favorable news. And that is all the speculating public seems to need.

Avid interest in gold prospects is in sharp contrast to market lethargy of producing golds. Value of gold prospects listed on the Toronto Stock Exchange improved $12.5 millions in April to $75.7 millions, is higher still today. The TSE gold index (composed of producing golds) conversely dropped recently to the lowest point since last summer. But the speculators in this market seem to think there is more money to be made out of a drill hole than an existing producer and inaction of senior producers hasn't apparently prompted any serious worries.

What Draws Speculators?

Canada's latest gold prospect boom prompts some questions:

What does this "money splurge" on gold mining mean to the country? Is it constructive? Or is it something to be shrugged off as a necessary evil, like income tax or horse race betting?

Preliminary indications are that discovery and development of new gold mines may give gold mining a most decided "lift" at a time when development of even promising gold properties had dwindled practically to a standstill. Millions of new capital has been provided or guaranteed for new programs. Re-financing and re-opening have been arranged for a dozen gold properties with indicated ore bodies — Akaitcho, Beacon, Bevcourt, Cournor, Dulama, Lake-Osu, Lake Wasa, Newlund, Norlartic, Obaska, Shawkey, and Queenston. Bevcourt and Queenston are proceeding with production plans.

Many gold mining properties had shown some real mine-making possibilities before the 1946-1949 gold mine financing famine. Now dozens of drills are being put back to work at a wide range of properties — Consolidated Ansley, Biroco, Consolidated Harpers, Larder "U," Highridge, Louvicourt, Mosher, Jaculet, McLellan, Mylamaque, New Thurbois, Yellorex, Marcus, Quebec, Smelting, Marbenor, Bulldog Yellowknife, Gotham, Mary Ann, Blanchard, Lynx Yellowknife, Calder-Bousquet, Kenogamisis, to name but a few.

Diamond drill firms which had seen their business practically vanish in the past three years are starting in on a new boom reminiscent of the wartime drill hole boom which was without a parallel anywhere in the world.

Most of the companies participating in the new activity are listed issues. Promoters find it is easier to make a deal on a listed company than to go through red tape of qualifying an over-the-counter issue with the Ontario Securities Commission. But even the Securities Commission is extremely busy these days so many new financing deals and requalifications are going through.

Some Have Scored Well

Individuals who were fortunate enough to acquire shares early in companies making significant ore news have already done extremely well in the present market.

Lunward which sold down to 9½ cents a share in 1948 has perhaps taken top honors in the winners' circle. Reorganized on a one-for-two share exchange basis and renamed Newlund Mines, this operation has made major ore news at the 200-ft. level. Newlund shares have recently sold above the $2 a share mark, equivalent to better than a $1 a share on the older company stock.

Surface diamond drill news has been every bit as good as underground ore news in creating market interest.

Mosher Long Lac a surface driller, played an important part in galvanizing operators into new activity in the Little Long Lac camp. A Mosher drill hole showing commercial gold values in the apparent extension of MacLeod-Cockshutt's big "F" ore body made Mosher shares soar from a 1949 low of 8 cents a share to 57½ cents a share. Mosher holds a sizeable block of Newlund (369,863 shares) and is again acquiring a renewed speculative following as consideration is given to possible development of ground held next to Newlund and a possible shaft for its Little Long Lac property.

But the biggest of the new financing deals have been on properties which showed very favorable results in previous development programs, rather than on basis of new drilling results. Many financing plans have required a capital reorganization and a share capital scaledown. But because reorganization had been so thoroughly discounted by the stock market previously, investors are often finding the value of their reduced holdings far greater even though the number of shares held is smaller.

Dulama — to be renamed Ladulama — is to be "put through the wringer" (market jargon for a reorganization); but a further $750,000 has been guaranteed the company's treasury. Dulama shares could have been purchased for 14 cents last year. Recently they sold at 49 cents, the equivalent of 98 cents a share on the proposed new stock.

Lake-Osu, another gold operation which secured favorable results in previous work, has been another enjoying a market swing with new financing. Lake-Osu shares at 62 cents are equivalent to 31 cents a share for predecessor Osulake shares which sold last year for as little as seven cents.

Lake Wasa was one of the first to resume work. Past underground work has outlined 1.9 million tons of ore averaging $5.81 a ton across an average width of 30 ft. down to a depth of 800 ft. An underwriting on 500,000 shares at 50 cents a share provided $250,000 to enable the company to deepen its shaft from 800 to 1,000 ft. for the opening up of a new horizon at 1,000 ft. depth. The shaft hasn't yet reached its objective and ore results from depth won't be coming until later this year. But the company's stock this week was trading at 77 cents a share against a 1949 low of 34 cents.

General Reappraisal

Market changes of this character have caused a general reappraisal of gold prospects generally. Even issues for which there is no immediate likelihood of reopening have moved up a few cents. But some properties for which it was thought that there was little likelihood of reopening until there was a substantial reduction of mining costs have already begun to make deals; few want to make predictions where the present wave of activity may stop.

Akaitcho Yellowknife which had indicated 260,000 tons averaging 0.65 oz. gold in a drilling program a few years ago was one of those which didn't plan to start underground work right away even though there was about $225,000 in its treasury. But last week, improved financing conditions resulted in a decision to make an offering of rights to shareholders at $1 a share. Shares had previously moved up from a 1950 low of 70 cents a share to $1.75 a share. Akaitcho is now taking steps to proceed with sinking of a shaft and a program of underground development on its property which adjoins Giant Yellowknife on the northerly strike of the big Yellowknife Bay greenstone belt.

Not all the prospective new gold producers have made arrangements for reopening, but the odds appear to be definitely weighted in the direction of further deals. Among those which secured favorable results in previous work but which haven't yet announced new plans are Croinor Pershing, Lake Lingman, Crestaurum, Joburke, Chimo, Golden Arrow. At least three of these are understood to have had new financing proposals recently.

Canadian gold production has made a remarkable comeback since the end of the war as the following figures indicate:

	—Gold Production—	
Year:	Ounces	Dollars
1944	2,922,911	112,532,073
1945	2,696,727	103,823,990
1946	2,832,554	104,096,359
1947	3,070,221	107,457,735
1948	3,529,608	123,536,280
1949	4,103,856	147,738,816

With the 10% premium on U. S. funds, it has been a pretty well foregone conclusion that dollar value of gold output would show another sharp spurt in 1950. But fears had been expressed that further growth in dollar value beyond 1950 might not be realized as most gold mines have completed expansion programs and only the odd new mine was being placed in production.

But the present boom in developing golds may change the whole picture enormously. If mill money is found as easy to raise as further development funds, another year may find work proceeding on preparing a string of new producers. Banks have been important partners in providing final funds for reaching production and the mining industry will likely again tap the bankers when development of new ore bodies reaches the banking stage.

It will likely be a few years yet before Canada makes an assault on its 1941 record gold output of $205.8 millions. But the funds now flowing into new gold mining projects suggest that an increased flow of "golden dollars" will add to Canadian prosperity.

Here Are Details Of More Important New Financing

Company	Firm cash Commitment	—Ore indicated— tons	grade	Present position
Akaitcho Yellowknife	*$290,000	260,000	$37.03	Preparing for shaft
Lake Wasa Mining Corp.	250,000	1,903,000	5.81	To open new levels
Dulama Gold Mines	750,000	137,625	8.01	Reorganizing Capital
Newlund Mines	450,000	Good grade ore indicated		Opening new ore
Lake-Osu Mines	114,449	240,750	13.43	Reopening mine
Norlartic Mines	280,000	600,000	6.55	Drifting on 2 levels
Queenston Gold Mines	400,000	Large tonnage outlined		Plans 500-ton mill
Beacon Mining Co.	†	Big tonnage possible		New shaft finished
Shawkey (1945) Mines	♦225,000	South zone shows ore		Sinks new shaft
Marbenor Malartic Mines	40,000	Several ore shoots found		To sink to 240 ft.

* Expected from offering of rights. † Needed funds advanced by Lamaque Gold Mines.

♦ Amount management expects to have when shaft started.

Progress of Trust Companies Reviewed

Acadia Trust

Acadia Trust Co. net profit for the year ended Nov. 30, 1949, amounted to $49,922, against $47,894 in the previous year.

Interest is allowed at 2% on deposits.

Estates, trusts, and agencies under administration stood at $9,478,647 ($8,544,477 a year earlier). Guaranteed funds were $1,459,609 ($1,577,210).

Authorized capital is $500,000, of which $200,000 is fully paid up. Reserve at the fiscal year end was $800,000 and profit and loss totaled $76,021. Head office is at Truro, N.S.

Admin. & Trust

Administration & Trust Co. (Société d'Administration et de Fiducie) was formed in 1949 from the merger of Sociétée d'Administration et de Fiducie, Sun Trust Ltd. and Trust Co. of America.

Shareholders of Société received an equal number of shares of the new company; shareholders of Sun Trust received four new shares for each $100 par share; shareholders of Trust Co. of America exchanged their shares on the basis of four old for 11 new shares and paid, at the time of exchange, $1.50 for each share received. The merger was effective June 1, 1949.

Authorized share capital of the new company is 60,000 shares, par $25. Of these, there were issued and fully paid at Dec. 31, 1949 47,750 shares, $1,193,750.

Profits for 1949, including those of Sun Trust and Trust Co. of America from June 1, 1949, totaled $73,144.

Estates, trusts and agencies and securities for safe custody amounted to $125,346,317 at Dec. 31 and guaranteed trust account stood at $4,432,857. General reserves were $200,247 and profit and loss account $265,292.

Head office is in Montreal, with branches in Montreal, Vancouver, Quebec, Edmonton, Winnipeg and Regina.

British Canadian

British Canadian Trust Co. 1949 net profit was $22,281, compared with $16,415 in 1948.

The company does not issue guaranteed investment certificates nor accept deposits. Estates under administration totaled $2,507,654 at Dec. 31, 1949 ($2,398,782 in 1948). Trust funds amounted to $852,346 ($706,848).

Authorized capital consists of 5,000 shares of $100 each, of which 2,000 shares are issued. Capital surplus is $43,138, general reserve fund $35,000 and profit and loss account $5,299.

Head office is in Lethbridge, Alta.

British Mortgage

British Mortgage & Trust Corp. of Ontario net profit for 1949 rose to $113,378 ($112,441 in 1948).

The company issues three, four and five-year 3% guaranteed investment certificates and pays 1½% on deposits. Guaranteed trust account totaled $11,444,517 at Dec. 31, 1949 ($10,289,502 a year earlier) and was made up of $5,867,988 ($5,128,242) guaranteed investment receipts and $5,576,529 ($5,161,260) trust deposits. Both investment receipts and deposits were at an all-time high. Estates department totaled $856,337 ($980,150).

The company now has a total of 9,120 savings accounts, with an average balance of $593. Liquid assets exceed 75% of deposits.

Prior to 1946, it is stated, term money always exceeded savings deposits, but during the inflationary period following the war deposits outgrew guaranteed investment receipts; in January, 1949, time investments again caught up and have continued an increasing lead ever since.

Mortgage securities are in good condition, the company advises, and arrears of interest are practically non-existent. Reserves are maintained and augmented from time to time for possible future losses in this division.

Capital stock fully paid up totals $1 million, general reserve fund $1 million and profit and loss balance $115,657.

Head office is in Stratford, Ont.

Brockville Trust

Brockville Trust & Savings Co. 1949 net profit was $49,035, up from 1948's $43,774. The company issues three, four and five-year 3% investment receipts. Deposits, bearing interest at 2%, are received in any amount and are subject to withdrawal by cheque.

Guaranteed trust account totaled $1,978,913 at Dec. 31, 1949 ($1,925,829 in 1948) and included $1,234,741 deposits ($1,135,457) and $735,450 investment certificates ($781,150). Estates, trusts and agencies account totaled $2,413,293 ($2,577,686).

Authorized capital consists of 20,000 shares of $50 each, of which 10,000 shares are issued. Reserve fund was $250,000 at the year end, and profit and loss account balance $40,727.

Head office is in Brockville, Ont., where office premises were purchased in 1949.

Can. Perm. Trust

Canada Permanent Trust Co. net profit for 1949 was $134,278 compared with $101,738 in 1948. Part of this increase was due to an additional $1 million of stock issued in 1948, but after allowing for earnings on the funds so raised, earnings were still higher than in previous years, the company states.

Trust and agency assets under administration hit a record total of $78,343,464 at Dec. 31, 1949 ($72,109,827 in 1948). Guaranteed investment receipts amounted to $1,426,795 ($66,690).

From 1939 to 1948 the company grew by 47%, more than twice the reported average of all trust and loan companies. Adding the results of 1949, the increase is over 50%.

During the year, the company purchased the General Trust & Executor Corp. of Halifax and rebuild its fire-damaged premises in Halifax. It also opened a branch in Victoria which is progressing "satisfactorily."

Issued capital stock is now $2 million, reserve fund $1 million and profit and loss $49,126.

Canada Permanent Trust Co. is controlled by Canada Permanent Mortgage Corp. through ownership of 98.5% of the outstanding stock. Head office is in Toronto, with branches in Victoria, Vancouver, Edmonton, Regina, Winnipeg, Toronto, Brantford, Hamilton, Woodstock, Port Hope, Montreal, Saint John and Halifax.

Canada Trust

Canada Trust Co. 1949 net profit was $174,072, against $125,720 in 1948.

The company issues 2½% guaranteed trust certificates for three, four and five years and 2% guaranteed deposit certificates for $500 and upward. Deposits may be withdrawn on 10 days' notice.

In 1949, the business of Guelph Trust Co. was merged with that of Canada Trust. Cash consideration was $756,309.

Estates, trusts and agencies account, at Dec. 31, 1949, amounted to $108,071,310 ($96,156,538 in the previous year). Guaranteed trust account totaled $15,154,249 ($13,721,355).

Capital stock subscribed totals $1,048,900 of which $986,900 is fully paid and $13,100 partially paid. Huron & Erie Mortgage Corp. owns 93% of the stock. Reserve fund, at the year end, totaled $800,000, contingent reserve re estates $141,000 and surplus $32,166.

Head office is in London, Ont. and branches are maintained in London, Toronto, Hamilton, St. Thomas, Chatham, Guelph, Windsor, Montreal, Regina, Winnipeg, Edmonton, Victoria and Vancouver.

Central Trust

Central Trust Co. net profit for 1949 was $28,316 as compared with $26,236 in 1948. The year was the best in the company's history, with profits and business at a new peak.

Estates, trust and agency account totaled $10,621,369 at Dec. 31, 1949 ($9,785,470 a year earlier). Guaranteed investment account amounted to $4,503,653 ($4,299,290). The company issues guaranteed investment certificates for one and two years at 3%, for three, four and five years at 3¼%, and for six to ten years inclusive at 3½%. It accepts deposits on which it pays 2½%.

The company reports that mortgage repayments continue satisfactory with interest being promptly paid.

Authorized capital totals $500,000, of which $356,700 is subscribed and $299,750 paid up. General reserve is $100,000 and surplus account $29,936.

Head office is in Moncton, N.B., and branches are in Saint John, Fredericton and Woodstock, N.B., and Amherst, N.S.

Chartered Trust

Chartered Trust Co.' 1949 net profit was $115,314 against $109,264 in 1948.

A breakdown of each income dollar in 1949 shows 54c going to employees, 23c to other operating expenses, 10c Dominion, provincial and municipal taxes, 6c dividends and 7c retained as capital employed.

Capital stock of the company was split on a 5-for-1 basis in 1949, resulting in an authorized capital of 125,000 $20 par shares, of which 50,000 are issued and outstanding. At the same time, the name of the company was changed from Chartered Trust & Executor Co. to the present title.

At the end of 1949, estates, trust and agencies account totaled $37,500,474 ($36,209,891 at Dec. 31, 1948). Guaranteed trust account was shown at $14,099,143 ($12,687,076) and consisted of $13,346,204 trust deposits and $752,939 funds held under guaranteed investment certificates.

Deposits are received in any amount and 2% interest is paid on them. Guaranteed investment certificates were discontinued in 1946.

Reserve account at the year-end amounted to $900,000 and profit and loss account $121,607.

Head office is in Toronto with a branch in Montreal.

Crown Trust

Crown Trust Co. recorded a 1949 net profit of $138,500, compared with $133,262 in 1948. Both net earnings and volume of business under administration reached an all-time high.

Estates, trusts and agency account amounted to $88,971,793 at Dec. 31, 1949 ($84,128,366 at the end of 1948). Guaranteed trust account totaled $19,364,330 ($15,290,278), including $7,466,935 ($5,990,691) trust funds for investment and $11,897,395 ($9,299,587) trust deposits.

The company issues guaranteed investment certificates at 3% for terms of five years, 2¾% for four years, 2½% for three years, 2¼% for two years and 2% for one year. It also accepts savings deposits on which 2% interest is paid. Liquidity of assets held against withdrawable deposits at the end of 1949 amounted to 99.72% as compared with 86.94% at the end of 1948.

Geographical distribution of mortgages, including all mortgages and sales agreements in capital and guaranteed departments at Dec. 31 was as follows: Ontario 80.80%, Quebec 6.84%, Manitoba, 8.50%, Saskatchewan, 0.70%, Alberta 2.02% and British Columbia 3.13%.

Capital stock fully paid totaled $1,267,500 in $100 par common shares. Reserve fund amounted to $600,000 and surplus to $154,832.

Head office is in Toronto with branches in Toronto, Brantford, Windsor, London, Montreal, Winnipeg, Calgary and Vancouver. In 1949 the subsidiary Trusts Building Ltd. purchased a building at 296-300 Bay St., Toronto, for $200,000.

Eastern Trust

Eastern Trust Co. 1949 net profit rose to $141,436 from $138,548 in 1948.

Total assets increased by $6,760,189 to a new high of $110,456,277. Estates, trusts and agencies account amounted to $90,314,673 at Dec. 31, 1949 ($86,115,692 at the end of 1948) and guaranteed deposits totaled $18,322,366 ($15,794,102). The company issues 1½% and 2% short term guaranteed investment certificates and 2¾%-3% one-year and upward term guaranteed investment certificates.

Mortgage investments received particular attention in 1949 and they increased by over $1,980,000.

During the year, construction of a new building and vault was completed at Lunenburg.

Paid up capital at the year-end amounted to $1 million. Reserve fund totaled $600,000, reserve for mortgages $71,989 and profit and loss account $28,024.

Head office is in Halifax, N.S., with branches in Toronto, Montreal, Saint John and Moncton, N.B.; Yarmouth, Lunenburg and New Glasgow, N.S., Charlottetown, P.E.I. and St. John's, Nfld.

Fidelity Trust

Fidelity Trust Co. shows a 1949 net profit of $14,146 compared with $6,022 in 1948. Mortgages and sales agreements totaled $106,339 at Dec. 31, 1949 ($131,452 a year earlier). Liquid assets amounted to $247,567 ($236,056).

Main business is mortgage loans and financing of trade notes.

Head office is in Winnipeg, Man.

General Trust

General Trust of Canada 1949 net profit totaled $70,858 compared with $76,948 in 1948.

Estates, trust and agency account at the year-end totaled $84,554,682, against $78,353,261 a year earlier. Guaranteed accounts rose to $4,311,636 ($3,752,666), while safe custody account jumped to $46,419,511 ($42,077,361).

A policy of establishing and managing pension funds for private and public corporations was inaugurated in 1949 and is "bringing good results."

Guaranteed deposits are invested up to 50% in call loans "adequately secured," 20% in Federal and Provincial bonds, 25% in debentures of cities, school commissions and trustees, and the balance in corporation bonds.

Issued capital consists of $1,100,000 preferred stock and $5,000 common stock. General reserve was $200,000 at Dec. 31 and profit and loss account $130,778.

Head office is in Montreal and a branch is established in Quebec City.

Grey & Bruce

Grey & Bruce Trust & Savings Co. 1949 net profit increased to $105,320, from $70,962 in 1948. Chief factor in this boost was the increase in mortgages. Additional funds coming in were placed "to better advantage" in mortgages, and investments in Dominion and Provincial bonds showed little change. At the end of 1949, mortgages totaled $6,363,727. They are well distributed throughout Ontario with a large percentage of them on a monthly payment basis.

Estates and trusts account amounted to $3,916,950 at Dec. 31 ($3,480,055 a year earlier). Guaranteed trust account was higher at $12,120,092 ($11,989,619) and included $5,911,774 guaranteed investment receipts and $6,208,317 trust deposits. The company issues 3% five-year term investment certificates and pays 2% interest on deposits.

During the year a total of 7,106 $50 par shares were sold at $70 each, bringing the total of subscribed and fully paid capital stock at Dec. 31 to $875,000, out of an authorized issue of $1 million. General reserve totaled $400,000, investment reserves $36,208 and contingent reserve $39,570.

Head office is in Owen Sound, Ont., and a branch is established in Peterborough.

Guaranty Trust

Guaranty Trust Co. earned a net profit of $95,664 in 1949, up from 1948's $77,118. Gains were shown in all departments.

Estates, trusts and agency account increased to $40,041,834 at Dec. 31, 1949 ($37,935,677 a year earlier) and guaranteed trust account to $18,160,545 ($16,139,895). The company issues guaranteed investment certificates bearing 3% interest for a five-year term, 2¾% for a three-year term, and pays 2% on the minimum quarterly balance on deposits. At the year-end, cash, bonds and other liquid securities were 119.78% of savings deposits.

In November, 1949, the company issued 2,000 more shares at $125 each to conform with governmental requirements and make it possible for the company to accept additional business. In December shareholders approved a 10-for-1 stock split and the issued and fully paid capital at the end of 1949 was therefore 125,000 shares of $10 each ($1,250,000). Reserve funds totaled $500,000 and profit and loss $93,070.

Head office is in Toronto. Branches are in Ottawa, Windsor, Montreal, Niagara Falls and Sudbury.

Guardian Trust

Guardian Trust Co. net profit for 1949 amounted to $8,377, compared with $11,929 in 1948.

Estimates, trusts and agencies account at Dec. 31, 1949 amounted to $12,067,709, against $11,209,459 the previous year. The company does not issue guaranteed investment receipts nor accept deposits.

Authorized capital consists of 5,000 shares of $100 each. There are 2,655 shares issued, on which there has been paid $195,200. Capital surplus is $83,635, reserve fund $44,923 and profit and loss account $12,685.

Head office is in Montreal.

Guelph Trust

Guelph Trust Co. in 1949 was purchased by Canada Trust Co., a subsidiary of Huron & Erie Mortgage Corp.

Cash consideration was $756,309. Shareholders of Guelph Trust Co. received $105,400 for each fully paid share and $40.56 for each partly paid share.

Ind. Mortgage

Industrial Mortgage & Trust Co. 1949 net profit rose to $65,281, from $60,650 in 1948.

Steady growth continued in 1949. Estates, trusts and agencies account increased to $1,147,112 at Dec. 31, 1949 ($1,073,296 at the end of 1948). Guaranteed investment certificates amounted to $2,958,124 ($2,837,122) and trust deposits to $3,593,600 ($3,298,901).

Guaranteed investment certificates are issued at 2¼% for one or two-year terms, 2½% for three and four-year terms and 3% for a five-year term. The company pays 2% on deposits, based on the minimum quarterly balance.

Issued capital totals $635,000, made up of 12,700 fully paid shares, par $50. Reserve fund is $400,000 and profit and loss account $73,362.

Head office is Sarnia, with branches in Petrolia and Forest, Ont.

Lambton Trust

Lambton Trust Co. 1949 net profit totaled $15,031, compared with $12,890 in 1948.

Estates, trusts and agencies account rose to $2,147,383 at Dec. 31, 1949 ($1,927,580 a year earlier). The company does a trust business only and does not issue guaranteed investment certificates or accept deposits.

Issued and fully paid capital amounted to $315,350 consisting of 6,307 shares of $50 each. General reserve was $75,000 and profit and loss account $15,681.

This company is a subsidiary of Lambton Loan & Investment Co., whose balance sheet shows an investment of $330,000 in Lambton Trust Co. stock. Head office is at Sarnia, Ont.

Maritime Trust

Maritime Trust Co. net profit for 1949 amounted to $18,429, compared with $13,570 in 1948. The company conducts the regular business of a trust company but does not issue guaranteed investment certificates or accept deposits.

Estates, trusts and agencies account at Dec. 31, 1949 totaled $6,192,770 ($6,171,376 a year earlier). The principle of investing only in Dominion, Provincial and high-grade municipal bonds was maintained in 1949.

Head office is in Saint John, N.B., with branches in Charlottetown, P.E.I. and Sackville, N.B., and agencies in Summerside, P.E.I. and Fredericton, N.B.

Montreal Trust

Montreal Trust Co. reported a net profit of $525,413 in 1949, compared with $544,147 in 1948.

Estates, trusts and agencies account at Dec. 31, 1949 totaled $857,719,534 ($857,293,447 a year earlier), while guaranteed trust account rose to $36,516,432 ($32,074,638). The company's services include all phases of a trust company business, including the issuance of guaranteed investment certificates at variable rates depending on the amount involved and the term, but it does not accept deposits.

During the year, the Calgary office was moved to premises occupied by Northern Trusts Co., an office was opened in London, Eng. and a pension division was created, with headquarters in Toronto.

Capital stock issued at the end of 1949 totaled $2 million in shares of $25 par. Reserve fund was increased by $500,000 during the year, to stand at $4.5 million; reserve for contingencies amounted to $1 million and profit and loss account to $703,080.

Head office is in Montreal and branches are established at Halifax, Toronto, Winnipeg, Edmonton, Calgary, Vancouver, Victoria, Charlottetown, St. John's, Nfld., London, Eng., and Nassau, B.W.I.

National Trust

National Trust Co. net profit for 1949 amounted to $420,850, against $404,023 in 1948. Net earnings before taxes were the highest in the company's history.

The company conducts a general trust business and accepts deposits on which it pays 1½% interest, but it does not issue guaranteed investment certificates. Estates, trusts and agencies account at the year-end was at a record high of $341,937,862, up $9,655,037 from 1948. Trust deposits totaled $28,571,995 ($28,721,948 Dec. 31, 1948). Of the $31,156,000 total of liquid assets in Capital and Guaranteed Trust Account, 90% is in bonds and 95% of these bonds are Dominion and Provincial obligations.

Income of the Transfer Department reached its highest peak since 1929 and the company was notified of a record number of will appointments.

Capital stock subscribed and fully paid totals $3 millions in $10 par shares. Reserve fund amounted to $3 millions and surplus account $409,677. Central Canada Loan & Savings Co. holds a substantial but minority interest in National Trust Co. shares.

Head office is in Toronto, with branches in Toronto, Montreal, Hamilton, Winnipeg, Edmonton and Vancouver.

Northern Trusts

Northern Trusts Co. recorded a 1949 net profit of $56,311, down from 1948's $62,723. The company makes mortgage loans on real estate, administers estates and manages property but does not accept deposits nor issue debentures.

Estates, trusts and agencies at Dec. 31, 1949 totaled $17,660,020 ($16,607,152 the previous year). Guaranteed trust account has been steadily reduced in the last few years and amounted to $103,904 ($114,649).

Authorized and issued capital consists of $1 million in $20 par shares. Montreal Trust Co. purchased the controlling interest in the company in late 1948. General reserve at the end of 1949 amounted to $400,000 and profit and loss account to $203,117.

Head office is in Winnipeg, Man., with branches in Regina, Calgary, Vancouver and Victoria.

Nova Scotia Trust

Nova Scotia Trust Co. showed a net profit of $53,610 in the year ended Feb. 28, 1950, against $58,114 in the previous year.

Total assets at the fiscal year-end were at an all-time high of $21,449,673, up $2,132,564. Estates, trusts and agencies account totaled $17,031,842 at Feb. 28 ($15,595,463 a year earlier). Guaranteed funds amounted to $3,454,417 ($2,778,721). The company issues guaranteed investment certificates bearing 2% interest for demand certificates, 2½% for one or two year term, 3% for three to five-year term, 3¼% for a five to eight year term and 3½% for a nine or ten-year term. It pays 2% interest on deposits.

Issued and paid up capital amounted to $500,000. General reserve was $350,000 and profit and loss account $39,055.

Head office is in Halifax and branches are established in Sydney, Yarmouth and Kentville, N.S. The Sydney office, destroyed by fire in December, 1948, has been rebuilt.

Ottawa Val. Trust

Ottawa Valley Trust Co. shows a net profit of $1,034 in 1949, first since incorporation in 1945. This compares with a net loss of $7,986 in 1948.

Estates, trusts and agencies account increased sharply to $7,031,637 ($5,564,834 Dec. 31, 1948). The company does not issue guaranteed investment receipts nor accept deposits.

The company reports that mortgage loans under management

(Continued on page 20)

THE
GREY & BRUCE TRUST
& SAVINGS CO.
Offices
OWEN SOUND and PETERBOROUGH

Authorized Capital $1,000,000.00
Capital Fully Paid 875,700.00
Reserves Exceed 475,000.00
Assets under Administration 17,064,259.00

G. D. FLEMING, *President* — O. E. MANNING, *General Manager*

THE TORONTO MORTGAGE CO.
13 TORONTO STREET, TORONTO
GERARD B. STRATHY, K.C., President — CHARLES PETTIT, Manager

Present Cash Value of Total Assets - - - - - - $4,302,065
Surplus, Over all Liabilities to Public - - - - - $2,370,251

2% *Allowed on Savings Deposits Withdrawable by Cheque.*
3% Paid on Debentures for 5 years and 2¾% for 3 or 4 years.
LEGAL INVESTMENT FOR TRUST FUNDS

First Mortgage Money to loan on modern solid brick dwellings, in good residential districts. Prompt Service.

1885-1950
Serving Eastern Ontario for 65 Years
THE BROCKVILLE TRUST AND SAVINGS COMPANY
Brockville, Ontario

BOARD OF DIRECTORS
J. Gill Gardner, President
Geo. T. Fulford, Vice-President
E. J. Smith, Managing-Director
F. I. Ritchie
J. M. Dobbie
E. C. Cossitt, M.B.E.
A. G. Parish, K.C.
Hon. H. A. Stewart, K.C.
George M. Rogers

PAID-UP CAPITAL 500,000.00
RESERVE FUND ... 250,000.00
TOTAL ASSETS ... 5,346,000.00
(Under Administration)

Complete EXECUTOR AND ADMINISTRATIVE SERVICE

Savings Accounts Invited

MORTGAGE LOANS

EXECUTORS AND TRUSTEES FOR HALF A CENTURY

Other People's
MONEY
and our business

Money, in addition to legal tender, embraces, in a broad sense, Bonds, Stocks and Property of all kinds.

Our business is looking after other people's money—that is, their personal business—for themselves and their heirs.

Placing your Investments in our care and naming us Executor in your Will, ensures immediate and careful supervision of your assets and continuity of administration in regard to your estate.

You are welcome to discuss your affairs with us in confidence and without obligation.

THE
ROYAL TRUST
COMPANY
OFFICES ACROSS CANADA FROM COAST TO COAST

Established 1895
THE FIFTY-FOURTH ANNUAL REPORT OF
The Victoria Trust and Savings Company

HEAD OFFICE: Lindsay
BRANCH OFFICES: Belleville — Cannington

T. H. STINSON, K.C., *President* — G. A. WEEKS, *General Manager*

DIRECTORS
C. E. WEEKS, K.C., Chairman of the Board
H. J. McLAUGHLIN, K.C., Vice-President
W. W. McLAUGHLIN, K.C.
GORDON S. MATTHEWS
F. G. PERRIN, Vice-President
STUART A. FLAVELLE
L. A. WALDEN

BALANCE SHEET, DECEMBER 31ST, 1949

CAPITAL ACCOUNT

Assets		
Office Premises and Safe Deposit Vaults at Lindsay, Belleville and Cannington		$ 66,167.90
Mortgages and Agreements for sale		
Principal	$220,301.01	
Interest	936.76	
		221,237.77
Bonds and Accrued Interest		
Dominion and Provincial Government	$411,267.36	
Municipal	153,036.80	
Other	60,900.10	
		625,204.26
Stocks		946,202.28
Loans on Bonds and Stocks		57,640.82
Advances to Estates Trusts and Agencies		50,177.88
Cash on Hand and in Banks		19,499.68
		$ 1,986,130.59

Liabilities	
Capital Stock Subscribed and Fully Paid	$ 1,110,000.00
General Reserve Fund	700,000.00
Reserve for Dominion and Provincial Income Taxes, less paid	91,795.91
Mortgage Liability	4,634.61
Dividend No. 190 payable Jan. 2, 1950	19,425.00
Profit and Loss	60,275.07
	$ 1,986,130.59

GUARANTEED TRUST ACCOUNT

Mortgages		
Principal	$7,233,236.48	
Interest	71,569.21	
		$ 7,304,805.69
Bonds and Accrued Interest		
Dominion and Provincial Government	$3,280,541.38	
Municipal	1,514,662.07	
Other	1,231,741.34	
		6,026,944.79
Stocks		402,524.02
Loans on Bonds and Stocks		12,788.48
Cash on Hand and in Banks		527,961.06
		$14,275,024.04

Guaranteed Investment Receipts	$10,129,734.40
Trust Deposits	4,145,289.64
	$14,275,024.04

ESTATES, TRUSTS AND AGENCY ACCOUNT

Funds and Investments held in Trust	$ 2,899,326.24
	$ 2,899,326.24
	$19,160,480.87

Estates, Trusts and Agencies	$ 2,849,148.36
Advances from Capital Account	50,177.88
	$ 2,899,326.24
	$19,160,480.87

T. H. STINSON, President. — G. A. WEEKS, General Manager.

Progress of Loan Companies Reviewed

Can. Permanent Mtge.

Canada Permanent Mortgage Corp., head office, Toronto, loans money on first mortgage securities, issues debentures and accepts savings deposits Through a subsidiary, Canada Permanent Trust Co., operations of a trust company are carried on. Besides the Toronto head office, 12 branch offices are maintained throughout every province but Prince Edward Island and Newfoundland.

Total assets, savings deposits and debentures issued were all at new high records at the end of 1949. Its net profit of $762,804 for 1949 was up 6.5% from the 1948 net of $716,362. This net was after writing off office premises $115,000 in 1949, $15,000 in 1948.

Assets reached a new record of $89,012,694, an increase of $6,016,343 over 1948 and an increase of more than $24 millions for the last five years. For the first time in 35 years the corporation has no real estate for sale, Vice-President and General Manager C. S. Robertson stated at the annual meeting.

Liabilities to the public increased to $76,359,158 ($70,354,767 in 1948). These were secured chiefly by liquid assets of $30,046,621 ($30,575,730) and mortgages and sales agreements of $55,939,273 ($49,510,144).

Stock of Canada Permanent Trust Co. is carried at a cost of $2,457,500 which represents 19,575 shares of $100 par value.

The company's own capital stock is unchanged at $7 millions but its reserve fund, which stood at $5 millions for many years was increased to $5,500,000 by the transfer of $500,000 from the profit and loss account.

A special general meeting of shareholders has been called for June 16, 1950 to consider and if agreeable, ratify a bylaw to increase the amount of money which the corporation may receive on deposit or which may be borrowed by the corporation to an amount equal to 10 times the combined paid up and unimpaired capital stock and reserve plus the amount of its cash. This will have the effect of raising the limit from around $80 millions at present to about $125 millions. The Post understands.

The company's new loaning for 1949 amounted to more than $14 millions. Due to repayments, however, the mortgage investments were increased by $6,429,129 to amount to $55,939,273. A total of 14,731 mortgages were held at the end of the year.

Work on the construction of a new office building for the corporation in Vancouver which was to have commenced last fall is expected to start soon. In 1949 interior alterations to the Port Hope branch were completed; the office at Halifax, badly damaged by fire a year before, was rebuilt and enlarged; and repairs were completed to premises leased in Victoria, B. C. in time to enable an opening of an office there in May 1949.

Yarmouth Bldg.

The Yarmouth Building & Loan Society, Yarmouth, N.S., makes loans on mortgages and issues debentures. The company is not accepting deposits at present.

Net profit in 1949 amounted to $10,747 against $11,622 in 1948.

Debentures outstanding were up sharply at $228,300 as compared with $166,600 a year before.

Mortgage business also shows an increase with mortgages held totaling $502,465 at Dec. 31, 1949 as against $433,128 a year earlier.

Capital stock is shown at $171,672, reserve account at $76,000 and profit and loss account at $20,396.

Central Canada

Central Canada Loan & Savings Co., head office, Toronto, operates mainly in the investment field. Mortgages and agreements of sale had declined to $27,422 at the end of 1949. Liquid assets on the other hand, including bonds of $915,039 and stocks of $4,326,534, have increased to $5,297,039 ($5,262,309).

Net profit for 1949 amounted to $223,984 ($237,714 in 1948). Reserve fund stands at $2,500,000. Capitalization consists of 25,000 shares, $100 par.

Credit Foncier

Crédit Foncier Franco-Canadien, head office Montreal, makes mortgage loans and issues debentures. First mortgage loans agreements for sale totaled $39,910,648 at the end of 1948. ($35,027,407 at the end of 1947). Bonds and shares after deduction of reserve total $4,824,572 ($15,102,760).

On April 1, 1949, $4 million debentures were issued to provide additional funds for general purposes, including financing of housing construction and other building operations.

Capitalization consisted of $24,687,892 debentures and 100,000 common shares, par value of French francs 500 each.

Eastern Canada

Eastern Canada Savings & Loan Co., Halifax, N.S. makes mortgage loans, issues debentures and accepts deposits.

Continued substantial growth was shown in all departments. Sale of debentures in Ontario, where they are now a trustee investment, was arranged. The company is also licensed to do business in the Province of New Brunswick as well as Nova Scotia and Prince Edward Island.

Net profit of $140,391 for 1949 was slightly higher than the 1948 net of $138,610.

Liabilities to the public amounted to $12,040,748 at Dec. 31, 1949 ($10,345,866 in 1948) and were secured chiefly by mortgages and agreements for sale of $13,159,335 ($11,516,689) and liquid assets of $717,870 ($607,503).

"We have every reason to expect home building to continue with little, if any, recession in 1950," President D. R. Turnbull states. "Nevertheless, one must take cognizance of the fact that construction costs are at a dangerously high level and any recession in earning power could be of serious consequences to our clients."

Empire Loan

Empire Loan Co., head office Winnipeg, Man. had a net profit of $913 in 1949 against $7,277 in 1948.

Investments total $515,378 at the end of 1949 ($512,976 at end of 1948) and consisted of mortgages, agreements for sale and interest accrued of $133,898 ($118,301), city apartment blocks, less reserve for depreciation, of $395,444 ($318,738), other real estate of $15,203 ($17,603), stocks $7,026 ($4,375) and bonds $53,806 ($53,959).

Capital consists of an authorized 7,000 shares, $80 par value, of which 6,142 shares have been issued. The stock was changed from $100 par during the year.

Guelph & Ontario

Shareholders of Guelph & Ontario Investment & Savings Society approved a sale of its assets and business for $2,273,046 to the Huron & Erie Mortgage Corp. at a meeting on Nov. 22, 1949. Upon distribution of proceeds of sale, each shareholder of Guelph & Ontario was to receive the sum of $117.75 for each share held.

Huron & Erie

Huron & Erie Mortgage Corp. has its head office and three branch offices in London, Ont. and also has branch offices in Toronto, Hamilton, Windsor, Chatham, Guelph, St. Thomas, Montreal, Winnipeg, Regina, Edmonton, Vancouver and Victoria.

The company makes mortgage loans, issues debentures and accepts deposits.

Canada Trust Co., which the corporation controls by ownership of approximately 93% of the capital stock, carries on a trust business which has become increasingly important in recent years.

Acquisition during 1949 of the Guelph & Ontario Investment & Savings Society for $2,273,046 by the corporation and the Guelph Trust Co. for $756,310 by Canada Trust resulted in substantial changes in the balance sheets, both of the corporation and its subsidiary, as compared with the close of the preceding year.

Net profit of Huron & Erie amounted to $363,696 in the year ended Dec. 31, 1949 as compared with $339,526 in 1948.

Mortgages and agreements for sale held by the company have shown a steady increase during the past three years and amounted to $32,017,990 ($23,027,438 at end of previous year). Dominion and Provincial bonds were reduced to $15,722,898 ($19,182,632). Stocks were $3,190,045 ($3,693,958) and cash was $1,167,524 ($1,519,841).

Debentures issued by the company were outstanding to the amount of $18,658,799 at Dec. 31, 1949, up from $17,584,200 in the year while deposits at $30,734,171 were substantially above the total of $26,827,755 at the close of 1948.

Liabilities to the public totaled $49,836,225 as compared with $44,782,017.

Lambton Loan

Lambton Loan & Investment Co. Sarnia, Ont. accepts deposits, issued debentures and makes first mortgage loans on both urban and rural properties. It is the oldest mortgage company in Canada, being formed in 1844. Its subsidiary, Lambton Trust Co., Sarnia, conducts a trust business. The parent company's investment in this subsidiary was carried at $330,000 at Dec. 31, 1949.

Its net profit for 1949 was $78,728, slightly higher than the 1948 net of $78,192.

Liabilities to the public amounted to $4,305,772 ($4,072,123 in 1948) and were secured chiefly by liquid assets of $3,000,478 ($2,843,599) and mortgages and sales agreements of $2,997,772 ($2,905,005).

"Each asset in the company's balance sheet has been carefully revalued and we believe our reserves are sufficient to provide for all contingencies," it is stated in the annual report.

Capitalization consists of an authorized 20,000 shares of $50 par stock of which 15,795 shares are issued. Reserve fund totaled $850,000 and profit and loss account $74,261 at Dec. 31, 1949.

La Cie. Fonciere

La Compagnie Fonciere de Manitoba, Winnipeg, makes mortgage loans and deals in real estate.

Its net profit amounted to $24,709 for 1949, up from the 1948 net of $21,787.

Mortgages and sales agreements stood at $149,735 at the end of 1949 ($155,918 at end of previous year). Realty for sale including office premises and equipment amounted to $477,655 ($475,998). Liquid assets, including bonds and stocks, amounted to $50,243 ($37,411).

NorthernCanadian

Northern Canadian Mortgage Co., Winnipeg, Man., manages property and makes loans on mortgages.

Its net profit of $22,577 for the fiscal year ended March 31, 1950, was up from $17,368 for the previous fiscal year.

The company owns real estate, consisting of apartment blocks, carried at $206,924 at March 31, 1950, after reserve for losses and depreciation of $247,304. A year before it was carried at $234,493, after a reserve of $378,127 and encumbrances and accrued interest of $60,768.

Investment in shares of other companies is carried at $210,872, after an investment reserve of $60,000, and a market value of $283,386. Investments have been substantially increased in the past year, having amounted to $74,780 at March 31, 1949. Mortgage loans and agreements and interest due and accrued, less reserve for losses, are carried at $38,095 ($57,792).

Capitalization consists of 20,000 authorized shares of 6% cumulative redeemable preferred, par $25, of which 12,233 are subscribed and fully paid and 23 shares subscribed and partly paid, and 20,000 authorized common shares, no par value, of which 13,618 shares are outstanding. Capital surplus totaled $43,237 and earned surplus $154,006.

Nova Scotia SL&B

Nova Scotia Savings, Loan & Building Society, head office Halifax, N.S., makes loans on mortgages, issues debentures and accepts customer deposits. The report for the year ended Dec. 31, 1949, was the 100th annual financial statement. Directors intend to publish a history of this society in booklet form.

Net profit of $102,127 for 1949 was off slightly from 1948's $105,821.

Total assets reached a record high of $7,921,467, up $982,731 from 1948.

First mortgages on improved real estate constitute the main asset item amounting to $7,394,878 at Dec. 31, 1949 ($6,455,283 a year before). Bond investments with accrued interest total $426,384, being unchanged from the previous year.

The company's debentures are outstanding in an amount of $5,163,574, an increase of $1,010,147 during the year. Savings deposits were down slightly in the year at $820,591 ($835,002).

Prospects for a good volume of business in 1950 are favorable, President A. B. Wiswell states.

Share capital totals $1,277,532, rest fund $550,000 and the profit and loss balance $53,115.

Ontario Loan

The Ontario Loan & Debenture Co., London, Ont., accepts deposits and issues debentures.

In 1949 the increase of business was the largest in the company's history. Deposits increased by $1,015,907 to $7,431,945 and debentures increased by $2,402,502 to $16,028,469.

The record volume of home building in Canada in 1949 caused a strong demand throughout the year for mortgage loans and notwithstanding large repayments of principal on existing mortgages the company's mortgage investments increased by $3,140,830 to $20,471,179, President Archibald McPherson stated in the annual report.

Liquid assets (comprising securities, loans on securities, deposits and cash) totaled $8,134,232 at Dec. 31, 1949 ($7,787,673 a year earlier). Largest individual item in this figure was $6,373,154 for Dominion and provincial bonds.

Net profit amounted to $249,624 for 1949, after Dominion income tax and Ontario corporation tax of $186,000, as compared with net profit of $246,351 in 1948, after tax of $170,000.

Sask. Loan

Saskatchewan Loan & Investment Co., head office Moose Jaw, Sask., carries on a mortgage business and deals in real estate and farm lands.

Its net profit for 1949 amounted to $12,483, down substantially from net of $23,902 in 1948. The decrease was due to three factors: (1) A decrease of about $3,600 in mortgage interest received due chiefly to the fact that almost all arrears have been paid up in recent years; (2) a decrease in real estate operations of about $2,000 due to lighter crops; and (3) a loss on real estate sales of $13,700 as compared with a profit of $6,700 in 1948.

Total assets at Dec. 31, 1949, amounted to $463,714 ($478,390 at end of 1948).

Mortgage loans totaled $138,529 ($156,577). Real estate and farm lands were carried at $156,303 ($173,396). The company had $125,176 invested in Dominion of Canada bonds and $10,225 in National Light & Power Co. bonds.

Societe de Prets

La Société de Prêts et Placements de Québec, head office, Montreal, makes mortgage loans and accepts deposits.

Its net profit of $43,450 for 1949 was slightly below the 1948 net of $45,978.

Mortgages outstanding at the end of 1949 amounted to $1,307,822 ($1,276,220 at end of 1948). Liquid assets, including bonds and stocks, amounted to $21,763 ($49,961). Total assets were $1,347,738 ($1,370,019).

Capital stock consisted of 10,000 shares, par $100, of which 8,000 shares are issued. General reserve totals $151,445, capital surplus $253,750 and undistributed surplus $43,511.

Toronto Mortgage

Toronto Mortgage Co. makes mortgage loans on residential properties in Toronto and vicinity and also issues debentures and accepts deposits.

Mortgage loans, at book value, were carried at $3,299,944 at Dec. 31, 1949, up slightly from the previous year's total of $3,170,353. New mortgage loans and renewals amounted to $828,500, President G. B. Strathy stated. Investments totaled $816,238 ($945,481) and consisted of $548,546 ($611,860) in bonds and debentures and $267,692 ($333,622) in shares of other companies.

Debentures were carried at $1,692,457 ($1,662,031). Deposits and savings accounts total $201,875 ($199,592).

Capital stock consists of 20,000 authorized shares, par $50, of which 19,730 shares have been subscribed and fully paid. Surplus account totaled $154,156 and reserve fund $1,200,000.

Western Homes

Western Homes Ltd., head office Winnipeg, Man., makes mortgage loans and invests in bonds and stocks.

Net profit amounted to $28,183 in 1949 against $26,299 in 1948.

Mortgages and sales agreements outstanding dropped to $816,756 at the end of 1949 ($874,827 at end of 1498). Real estate was carried at $41,230 ($42,218). Stocks and bonds at cost plus accrued interest were unchanged at $13,535.

Capital consists of 30,000 shares, par $35, of which 19,397 shares have been subscribed.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

BRAND & MILLEN LTD. reports a net loss of $32,728 for the year ended July 31, 1949, compared with a loss of $223,404 in the previous year. Net sales rose to $705,650 ($570,301), due to increased volume of mantel and other similar lower priced radio models. Owing to prospect of a market for television receivers, the higher priced combination consoles were not in demand to the same extent, states Vice-president S. A. Hayden.

Mr. Hayden declares that to remain competitive in the field, the list price of the company's television models had to be reduced. As a result, all excess of inventory value with relation to net sales price was written off against operations and is mainly responsible for the net loss shown.

During the year, a contract was concluded with the Forway Corp. of New York for production of 16 mm. projectors in the company's plant. Operations have been under way since January, 1950 and "volume is steadily increasing." It is planned to produce this for both domestic and export markets.

In the five months ended Dec. 31, 1949, a net profit of $652 was shown. Sales for the period amounted to $404,546 ($385,147 same period a year earlier).

The auditors state in their report that advances to Radio Furniture Ltd., amounting, at July 31, 1949, to $25,541 after reserve of $3,000, is of doubtful collectibility as to the full amount of the account.

INCOME ACCOUNT

	5 mos. ended Dec. 31 1949	Year ended July 31 1949
Net sales	$404,546	$705,650
Net earnings	4,024	■24,655
Less: Depr.	3,372	8,073
Net profit & surp.	652	■32,728

■Net loss or deficit.

Earnings per Share and Dividend Record:

Cl. A: Earned	$0.001	d$0.05
Cl. B: Earned	d0.31	d0.44
None paid.		

CONDENSED BALANCE SHEET

As at:	Dec. 31 1949	July 31 1949
Cash	$10,255	$6,249
Accts. rec.	133,871	81,518
Inventories	279,322	320,645
Total curr. assets	423,448	408,412
Prep. exp.§	3,852	3,987
Def. chgs., etc.	12,832	13,268
Int. in other cos.	36,892	36,892
Bldgs. & equip.*	51,269	53,733
Mfg. & other rts.	244,566	244,565
Total assets	772,859	760,857
Bank loan	27,000	36,000
Accts., tax., etc., pay.	127,737	106,988
Total curr. liabs.	154,737	142,988
Capital stock	862,500	862,500
Less: Deficit	244,378	244,631
*After depr. of	25,341	21,969
§Incl. in curr. assets in co's report.		
Working capital	268,711	265,424

ALGOMA CENTRAL & HUDSON BAY RAILWAY CO. reports a net loss of $221,526 in 1949, compared with a loss of $53,757 in 1948. Gross revenue was down and expenses, due to high labor and maintenance costs, were up. President E. B. Barber states indications are that traffic may decrease in 1950.

An 8% rate increase was granted in October, 1949 and was subsequently amended to 16%, effective March 23, 1950. This should benefit net revenue to some extent, but is inadequate to meet the continually increasing labor and material costs, it is stated in the annual report.

Algoma Ore Properties produced 702,923 tons of iron ore in 1949 (573,818 in 1948) and production is expected to reach one million tons in 1950. The report declares that the railway must be further fitted to undertake at a low tariff the transport of more ore at the lowest expense. Several trestle bridges must be replaced by steel, proper culverts completed and more efficient locomotive power and freight cars must be purchased.

Capital expenditures in 1949 amounted to $568,000, mainly for freight and passenger cars. Large expenditures, deferred to permit redemption of Terminal securities, are planned for 1950.

During the year the balance of outstanding debenture stock and bonds of Algoma Central Terminals Ltd. was redeemed and the railway company, through its holding all the capital stock, now owns all the assets of that company.

The bondholders' committee directed that 1% interest on account of accrued interest be paid on May 1, 1950 on the Algoma Central & Hudson Bay 5% first mortgage income debenture stock and bonds. This payment is a token payment and any future payments will be governed by capital requirements of the railway, it is stated.

INCOME ACCOUNT

Years Ended Dec. 31:	1949	1948
Gross receipts	$7,036,951	$7,189,430
Net earnings	454,368	693,309
Less: Accr. rental of A. C. Term.	15,155	23,932
Unpaid rent. int.	6,820	10,769
Equip. trust int.	27,195	30,525
Inc. deb. stk.	515,425	515,425
Income tax	......	32,678
Deferred depr.	111,299	133,737
Net loss & deficit	221,526	53,757

CONDENSED BALANCE SHEET

As at Dec. 31:	1949	1948
Cash	$335,476	$224,208
Accts. rec.	897,954	923,002
Investments	540,165	550,180
Inventories	1,454,211	1,821,333
Total curr. assets	3,227,806	3,518,723
Taxes recov.	221,164	250,237
Inv. Algoma Cent. Terminals	1,996,957	1,787,957
Pension cost	245,147	493,863
Equip. in trust	1,878,344	1,878,344
Fixed: Props.†	20,976,081	20,695,572
Land grant lands	246,061	267,034
Deficit	5,948,187	5,592,587
Total assets	34,739,747	34,484,317
Accts. & tax. pay.	1,533,668	1,553,379
Accr. rentals	......	174,277
Accr. bond int.	9,793,075	9,277,650
Total curr. liab.	11,326,743	11,005,306
Pension liab.	245,147	37[illegible],211
Def. maint. res.	250,237	250,237
Deprec. res.	4,346,923	4,139,866
Funded debt:		
Inc. deb. stk.	10,308,500	10,308,500
Equip. trust oblig.	1,184,000	1,332,000
Capital stock	4,707,550	4,707,550
Capital surplus	2,370,647	2,370,647
†Includes investment in affiliated co's.		
Excess of curr. liabs. over curr. assets	8,098,937	7,486,583

ALGOMA CENTRAL TERMINALS, LTD.

CONDENSED BALANCE SHEET

As at Dec. 31:	1949	1948
Accts. rec.	$210,363	$225,720
Rent due from Al. Cent. Rlwy.	......	174,277
Fixed assets	3,072,386	3,072,386
Less: Surp. re cap. cancel.	2,995,455	2,676,047
Total assets	287,294	796,336
Accts. pay.	187,294	202,651
Bond. etc., int.	......	174,277
Capital stock	100,000	100,000
Debent. stock	......	319,408

TIP TOP TAILORS LTD. net profit for 1949 amounted to $318,808, up 8.7% from the previous year.

President David Dunkelman states that the present trend of wool prices is upward and, since the price of wool and labor and production costs are now at their highest level in many years, no decline in retail prices of quality clothing is anticipated in the near future.

In 1949 a new store building was erected in Sarnia and major renovations and improvements effected at stores in Lethbridge, Edmonton, Regina, Windsor and Moncton. These expenditures, and those for additional factory equipment, resulted in a net increase of $197,411 in fixed assets.

INCOME ACCOUNT

52 Weeks Ended:	Dec. 31 1949	Jan. 1 1949
Net oper. earns.	$671,752	$820,291
Less: Deprec.	113,014	84,927
Bond int.	26,930	29,585
Invent. res.	......	150,000
Inc. tax res.	213,000	262,500
Net profit	318,808	293,279
Less: Com. divds.	72,000	45,002
Surplus for year	246,808	248,277
Times Bond Interest Earned:		
Before depr.	24.94	27.73
After depr.	20.75	24.86
Earnings per Share and Dividend Record:		
Common	2.68	$2.44
Paid	0.60	0.37½

CONDENSED BALANCE SHEET

As at:	Dec. 31 1949	Jan. 1 1949
Cash	$58,423	$455,289
Accts. rec.	472,076	475,855
Life ins., c.s.v.	160,123	147,386
Inventories	2,884,388	2,560,593
Total curr. assets	3,575,010	3,639,123
Misc. assets▲	185,062	258,475
Fixed assets*	1,929,983	1,845,586
Total assets	5,690,055	5,743,184
Accts., etc., pay.	866,535	1,016,820
Tax pay.	222,764	302,416
Total curr. liab.	1,089,299	1,319,236
Funded debt	650,000	720,000
Invent. & cont. res.	420,000	420,000
Capital stock	600,000	600,000
Earned surplus	2,930,756	2,683,948
*After depr. of	1,745,894	1,660,977
▲Incl. ref. EPT	122,068	193,606
Working capital	2,485,711	2,319,887

GOD'S LAKE GOLD MINES reports a net loss of $64,789 for 1949, against a profit of $426 in 1948.

President R. J. Jowsey states that apart from general work carried out on claims held or in which company is interested, inspection of other likely looking properties and general prospecting work, there has been little change in company's properties and assets.

If the outlook becomes more favorable, company will be in a favorable position to proceed with plans for further development, it is stated.

A 75,000 share interest was recently purchased in Lyndhurst Mining Co.

INCOME ACCOUNT

Years Ended Dec. 31:	1949	1948
Net oper. loss*	$24,001	$39,520
Less: Nonoper. rev.	31,852	53,159
Cont. res. trans.	......	75,000
Add: Cls. & prop. w/o	......	2
Invest. dev. cos. w/o	63,988	85,348
Outside expl.	8,652	2,863
Loss for year	64,789	•426
*Shutdown exps., etc.	•Profit.	

CONDENSED BALANCE SHEET

As at Dec. 31:	1949	1948
Cash	$7,232	$36,301
Accts. rec.	1,462	1,741
Shs. produc. cos.*	422,895	412,700
Invest. devel. cos.	458,621	502,545
Total curr. assets	890,210	953,287
Prep. & def. chgs.	448	6,564
Invest. in subsid.	38,475	37,000
Expl. & mine dev.	121,896	119,978
Total assets	1,051,029	1,116,829
Total curr. liab.	12	1,023
Capital stock	2,037,831	2,037,831
Less: Deficit	986,814	922,025
*Market value	493,000	583,000
Working capital	890,198	932,264

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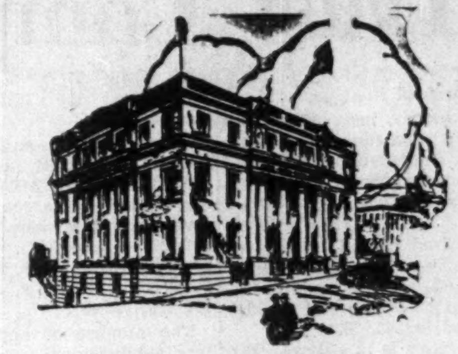

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Trust Companies Reviewed

(Continued from page 18)

have increased, new estates and trusts are being administered and, through co-operation of shareholders, a number of agency accounts have recently been turned over.

Authorized capital consists of 10,000 shares of $100 par value, of which 5,000 are outstanding. Deficit account at the end of 1949 amounted to $40,629.

Head office is in Ottawa, Ont.

Premier Trust

Premier Trust Co. 1949 net profit amounted to $35,421, down from $41,976 in 1948.

Estates, trusts and agencies account totaled $6,997,255 at Dec. 31, 1949, against $7,061,520 a year earlier. Trust deposits amounted to $2,348,705 ($2,235,869) and guaranteed investment certificates to $1,316,472 ($1,211,080). The company issues guaranteed investment certificates at 2½% and 3% interest for a term of from one to five years. It pays 2% interest on deposits.

Subscribed capital totals $1,225,000, consisting of 12,250 shares of $100 par value. Of this 11,516 shares are fully paid and 734 shares partly paid. Investment reserve at the year-end was $200,000 and profit and loss account $60,304.

Head office is in Toronto; branches in St. Catharines and London, Ont.

Prudential Trust

Prudential Trust Co. net profit for 1949 was $15,629, compared with $18,056 in 1948. Gross revenues increased considerably but expenses were also higher.

All departments showed expansion. Estates, trusts and agencies account totaled $8,434,483 at Dec. 31, 1949 ($6,372,251 at the end of 1948).

Alterations to the office building purchased in 1948 were completed in March 1949 and the building was occupied.

Capital stock subscribed totals $175,270, consisting of $17,527 fully paid shares. Reserve fund amounted to $100,000 at the year-end and surplus to $195,424.

Head office is in Montreal and branches are in Toronto, Calgary, Edmonton, Vancouver and Regina.

Royal Trust

Royal Trust Co. 1949 net profit was $522,831, against $479,841 in 1948. Gross earnings hit a record high of $4,208,000, up $246,000, and total assets under administration passed the billion dollar mark.

Estates, trusts and agencies account at Dec. 31, 1949 totaled $965,017,829 ($927,246,622 at the end of 1948), while trust funds for investment rose sharply to $22,627,952 ($15,804,358). The company had bank loans, secured by pledges of securities, of $6,359,164 ($6,918,549).

The number of appointments received under wills and deeds of trust grows steadily year to year, President Ross Clarkson stated at the annual meeting.

Capital stock paid up at the year-end totaled $2 million, consisting of 100,000 shares of $20 each. Reserve amounted to $5 millions and undivided profits to $1,133,055.

Head office is in Montreal, with branches in St. John's, Halifax, Saint John, Quebec, Ottawa, Toronto, Hamilton, Winnipeg, Calgary, Edmonton, Vancouver, Victoria and London, Eng.

Sherbrooke Trust

Sherbrooke Trust Co. net profit for the year ended Sept. 30, 1949 amounted to $35,449, down slightly from $36,448 in the previous year due to higher operating costs. Gross income reached a new record.

Estates, trusts and agencies under administration also hit a new high of $8,956,540 ($8,446,973 at Sept. 30, 1948). Deposit accounts totaled $2,628,243 ($2,580,299), while 3% "C" debentures with accrued maturing within five years from date of issue dropped to $84,498 ($88,153). Interest at 2% is allowed on deposits; no new debentures are being issued, only renewal of outstanding maturing debentures.

Mortgages were reported at $1,830,120 ($1,823,602) and interest arrears were said to be the lowest in over 30 years.

Issued and fully paid capital stock at the fiscal year-end amounted to $300,000 in $100 par shares. General reserve totaled $275,000, reserve for investment in bonds $64,760, reserve for loans and real estate held for sale $27,560 and earned surplus $48,801.

Head office is in Sherbrooke, Que.

Societe Nationale

Société Nationale de Fiducie net profit in 1949 amounted to $64,000, against $55,091 in 1948. The Society administers trusts and acts as trustees. It also acts as a transfer agent and registrar for stocks and bonds.

Estates, trusts and agencies account at Dec. 31, 1949 totaled $29,184,966 ($24,768,812 at the end of 1948) and guaranteed trust funds rose to $1,448,197 ($688,103).

At the year-end capital amounted to $250,000 consisting of 25,000 shares of $10 par. It is proposed that the value of shares be increased to $30 and that quarterly dividends of 30c a share be declared. General reserve amounted to $430,000 and profit and loss account to $75,591.

Head office is in Montreal.

Sterling Trusts

Sterling Trusts Corp. gross earnings of $391,645 in 1949 were the highest in the company's history ($357,008 in 1948). Despite higher operating costs, net profit was also up slightly to $78,353 ($78,276).

Guaranteed trust account at Dec. 31, 1949 hit a new peak of $5,371,241, including guaranteed trust certificates of $3,840,087, up approximately $700,000, and deposits of $1,531,153, down somewhat from $1,630,076. Guaranteed investment certificates are issued at 3% for a five-year term, 2½% for a three or four-year term and 2% for a one or two-year term; 2% interest is paid on deposits.

Estates, trusts and agencies account rose to $7,560,139 ($7,276,747), largely due to new estates under administration.

Authorized capital stock consists of 20,000 shares of $100 par. Of these, 9,402 shares have been issued on which there has been paid $842,300. Reserve fund at Dec. 31 amounted to $250,000 and profit and loss balance to $54,022.

Head office is in Toronto, with branches in Regina, Sask., and Barrie, Ont.

Toronto General

Toronto General Trusts Corp. recorded a net profit of $337,756 in 1949, against $345,799 in 1948. Records were set in total assets under administration and in volume of new business received.

The bulk of the new business, as in other years, consisted of new estates, personal trusts and personal agencies. Estates, trusts and agencies account at Dec. 31, 1949 totaled $280,914,096, against $274,855,101 a year earlier. Another important section of new business came from appointments to act as trustee under bond mortgages, oil royalty agreements, pension plans, as transfer agent and in other corporate trust and agency capacities.

Funds held for guaranteed trust account reflect an increase in guaranteed investment certificate funds of $98,738 to $9,570,608 and in savings on deposit of $1,825,832 to $16,253,966. Guaranteed investment certificates are issued for amounts of $500 and upwards for fixed periods of three or five years at a rate of 2½% per annum. Short period certificates will be issued if required at the current rate of interest, subject to arrangements made at the time. The company pays 2% interest on deposits.

Subscribed and paid up capital totals $3 millions consisting of 30,000 par $100 shares. Reserve millions, investment reserve fund at the year-end totaled $2.5 millions, investment reserve $500,000 and profit and loss account $141,376.

Head office is in Toronto, with branches in Vancouver, Saskatoon, Edmonton, Montreal, Winnipeg, Windsor, Calgary, Ottawa and Regina.

Victoria Trust

Victoria Trust & Savings Co. 1949 net profit rose to $107,730 from $84,185 in 1948.

The company makes mortgage loans, administers estates and living trusts, issues guaranteed investment certificates at 3% for a five-year term with corresponding lesser rates for shorter terms and accepts deposits on which it pays 1¾% interest.

At Dec. 31, 1949, guaranteed investment receipts totaled $10,129,734 ($9,297,700 at the end of 1948) and trust deposits amounted to $4,145,289 ($3,816,010). Estates, trusts and agencies account stood at $2,899,326 ($2,735,659).

Capital stock subscribed and fully paid totaled $1,110,000, general reserve fund $700,000 and profit and loss account $60,275.

Head office is in Lindsay, Ont. A branch is established in Cannington, Ont. and in 1949 one was set up in Belleville, Ont.

Waterloo Trust

Waterloo Trust & Savings Co. net profit in 1949 rose to $104,177, from $99,327 in 1948. The company reports that business conditions in the district served by it were especially good.

The estates department was particularly active in 1949. Estates, trusts and agencies account at Dec. 31, 1949 amounted to $13,974,150 ($13,053,191 a year earlier). Guaranteed trust account was higher at $27,108,323 ($24,997,068) and included general guaranteed investment receipts of $6,584,761 ($6,450,486) and trust deposits of $20,523,562 ($18,546,581). Guaranteed investment certificates are issued bearing 2¼% interest for a one-year term, 2½% for a two-year term, 2¾% for a three or four-year term and 3% for a five-year term. The company allows 2% interest on deposits.

Paid up capital at the year-end totaled $1.5 million. General reserve amounted to $550,000 and profit and loss account to $114,293.

Head office is in Waterloo, Ont. but main executive office is at Kitchener, Ont. Other offices are in Galt and Preston, Ont.

Western Trust

Western Trust Co. 1949 net profit amounted to $71,178, against $67,144 in 1948.

Estates, trusts and agencies account at Dec. 31, 1949 was down somewhat at $3,794,151 ($3,926,159 at the end of 1948) and guaranteed account dropped slightly to $40,243 ($43,810).

Issued capital at the year-end amounted to $1,005,000, consisting of 10,050 shares of $100 par. General reserve and reserve for stocks, bonds and debentures stood unchanged at $330,000 and $56,597 respectively and profit and loss account totaled $196,053.

Western Realty Co. is a wholly owned subsidiary. Its assets consist of real estate transferred from Western Trust Co. and are carried at $61,245 less liabilities to the public of $1,400, for a net amount of $59,845.

Head office is in Winnipeg and branches are in Regina and Edmonton.

Assets of Trust Companies Up Over 10% in 1949

Assets of the 16 trust companies (company and guaranteed accounts only), who are members of Dominion Mortgage & Investments Association, increased by $25.6 millions or 10.2% in 1949 to amount to $275.2 millions, according to the Association's annual report. Assets of these companies comprise about 75% of company and guaranteed account assets of trust companies in Canada.

An analysis of the distribution of the assets in 1949 and in 1948 revealed that the biggest dollar increase for the trust companies occurred in the mortgages held which were increased $10.3 millions. Second largest increase in assets was in holdings of Provincial Government bonds which increased $9 millions. Government of Canada bond holdings were increased by $3 millions, but the increase was so small that the investment in Dominion bonds declined when expressed as a percentage of total assets.

A higher proportion of the assets of trust companies are held in government bonds than is the case for life insurance and loan companies. As compared with loan companies this was always the case but in 1939 the government bond holdings of the life insurance companies as a percentage of total assets was greater than that of the trust companies. Total investment in government bonds amounted to 54.77% of total company and guaranteed account assets in 1948 for these 16 companies (up slightly from the previous year's 54.53%) as compared with 45.44% for the 26 member Canadian life insurance companies and 19.82% for the 11 member loan companies.

There is also a contrast in the trend of government bond holdings. The percentage of assets invested in government bonds for both loan companies and life insurance companies was lower at the end of 1949 than at the end of 1948, whereas in the case of the trust companies it was very slightly higher.

The following table, prepared by Dominion Mortgage & Investments Association, show the distribution of the assets held in the company and guaranteed accounts together with percentage distribution of these assets for 16 member trust companies.

DISTRIBUTION OF ASSETS OF TRUST COMPANIES

	Dollar Distribution (Thousands of Dollars)		Percentage Distribution			
	1949	1948	1949	1948	1947	1939
	$	$				
Dom. Gov't Bonds	104,984	101,914	38.15	40.84	44.20	17.36
Prov. Gov't Bonds	29,819	20,891	10.84	8.37	6.65	
Can. Mun. Bonds	15,629	13,152	5.68	5.27	4.33	5.05
Other Gov't Bonds	280	108	.10	.05	.05	...
Total Gov't Bonds	150,712	136,065	54.77	54.53	55.23	22.41
Corporation Bonds	10,052	9,766	3.65	3.91	3.40	7.89
Corporation Stocks	10,120	10,886	3.68	4.36	4.68	3.66
Mortgages in Canada	77,105	66,889	28.03	26.81	26.33	40.49
Real Estate held for sale	62	77	.02	.03	.07	4.59
Other Real Estate	5,883	5,514	2.14	2.21	2.22	2.95
Collateral Loans	9,886	8,409	3.59	3.37	3.22	10.58
Cash	10,318	10,717	3.75	4.29	4.26	5.26
Other Assets	1,013	1,221	.37	.49	.59	2.17
Total Assets	275,151	249,544	100.00	100.00	100.00	100.00

Canada-Built Ship Opens New S. America Service

MONTREAL (Staff) — A new shipping service between Canada and Venezuela, Colombia and Ecuador was inaugurated recently by Flota Mercantile Grancolombiana, with the sailing of the Canadian-built motor vessel, Ciudad de Maracaibo.

The Ciudad de Maracaibo, 6,000 tons deadweight, is one of three new ships built for Latin American firm by Canadian Vickers Ltd. Last week's inaugural voyage was the first time any foreign country has begun a direct shipping service to Canada using Canadian peacetime built ships.

Start of the new service reflects the sharp increase in trade between Canada and the three South American countries in recent years. Value of two-way business, only $11 millions in 1938, reached $131 millions in 1948 and $143 millions last year.

Importance of this trade to all four countries was stressed at the inaugural ceremonies by George R. Heasman, director of foreign trade, Department of Trade and Commerce. Venezuela has become Canada's largest market in South America, and Colombia and Ecuador have always been good markets for Canadian wheat and flour, he pointed out.

Venezuela for the last two years has been Canada's chief supplier of crude petroleum; Colombia's coffee growers now find Canada their second best customer.

Flota Mercante Grancolombiana is a shipping line jointly owned by the governments of Ecuador, Colombia and Venezuela. Established in 1947, it now has a fleet of 25 vessels. The Robert Reford Co. acts as general agent for the company in Canada.

S. Canada Power Reports $109,773 6-Month Surplus

MONTREAL (Staff)—Southern Canada Power Co. operations for the six months ended March 31 resulted in a surplus of $109,773 compared with $37,921 for the same period a year ago.

Gross earnings increased $250,000 to $2.8 millions. Operating and maintenance amounted to $1,261,790 ($1,214,826 a year ago); taxes $484,086 ($405,799); interest, depreciation and dividends $948,471 ($895,686). Despite higher gross earnings ($461,442 vs. $417,373), March surplus of $8,379 was down from last March's $9,336.

Merchandise sales for the January-March period totaled $195,000.

In its construction program, company has completed a 48,000-volt line from Iberville to Henryville and a new substation at the end of the line has been put in service. Four 5,800 kva transformers moved from St. Cesaire have been placed in service at Hemmings Falls. Final link connecting Magog municipal system to company system was completed.

Company has ample water in storage.

Hospital Gets First 'Forway'

First "Forway" 16 mm sound projector recently off the assembly line at the Forway Industries of Canada plant in Long Branch, near Toronto, went to the famed big Sick Children's Hospital, where it will screen kids' entertainment, instructional films for student nurses. It was donated by the Canadian distributor, Vanco Cine Equipment Ltd., Toronto, president, Sam Collis. Vanco, which also will handle export orders, recently appointed G.D.L. Industries Ltd., Montreal, as sub-distributor for Quebec, plus more than 100 dealers across Canada.

$100,000 Issue Bldg. New Church At Malartic

MONTREAL (Staff) — An issue of $100,000 first mortgage serial bonds of the church council of the Parish of St. Martin de Tours de Malartic is being offered by Clement, Guimont, Inc. Proceeds are for construction of a new $200,000 fireproof church at Malartic, Que.

The bonds, dated May 1, 1950, consist of $25,000 3½% due 1951-54; $75,000 4% due 1955-63 inclusive. They are secured by a first charge on all movables and immovables of Les Curé et Marguilliers de l'Oeuvre et Fabrique de la Paroisse de St. Martin de Tours de Malartic. Offering price is par and accrued interest.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

NORTHERN CANADIAN MORTGAGE CO., Winnipeg, Man., reports a net profit of $22,577 for the year ended March 31, 1950, against $17,368 in the previous year.

Mortgages and sales agreements totaled $38,095 at March 31 ($57,792 a year earlier), realty for sale $206,924 ($234,493) and liquid assets $290,753 ($186,705).

Years Ended Mar. 31:	1950	1949
Liabs. to public, etc.*	$33,672	$19,915
Shareholders' equity	460,004	415,838
Capital surplus	43,237	43,237
*Secured by:		
Mtges. & sls. agree.	38,095	57,792
Realty for sale	206,924	234,493
Automobile	1,141	......
Liquid assets♦	290,753	186,705
Total	536,913	478,990
♦Incl. bonds and stocks.		
Net profit	22,577	17,368
Earned per Share§	$1.84	$1.42
Paid†	1.50	1.50

§Pref. only, based on paid-up capital stk.

†Includes 50c pay. June 1 and 50c pay. July 1 of following year.

SOUTHMOUNT INVESTMENT CO. net profit for the 13 months ended Jan. 31, 1950 amounted to $16,879, against $5,626 in 1948.

A special general meeting of shareholders has been called for May 26, 1950 to consider authorizing winding up the company and distributing assets to shareholders.

The long lawsuit with the Quebec Hydro-Electric Commission, which prevented an earlier winding up, was finally settled in 1949. Southmount is to receive $550,000 for its shares of Keystone Transports Ltd. (book value $306,000). Each party agreed to pay its own costs and each granted the other a complete release from any claims.

President J. S. Norris states that preliminary steps have already been taken to hasten distribution of assets to shareholders in anticipation of the sanction and confirmation of By-Law "B" at the meeting. The income tax department has been asked to determine the aggregate amount of the company's undistributed income on hand. The consent of the F.E.C.B. has been obtained for the proposed distribution.

The company's accounts as given below do not reflect the settlement with the Commission.

INCOME ACCOUNT

	13 mos. ended Jan. 31 1950	Year ended Dec. 31 1948
Interest rec.	$40,478	$35,720
Less: Expenses	16,718	24,144
Income taxes	6,881	5,950
Net profit & surp.	16,879	5,626
Earned per Share	$0.0038	$0.0013
None paid.		

CONDENSED BALANCE SHEET

As at:	Jan. 31 1950■	Dec. 31 1948
Cash & call loan	$296,811	$122,772
Accts., etc., rec.	7,386	9,141
Prep. exp.	312	292
Mkt. secs.†	1,770,000	1,940,996
Inv. in subsid.	306,000	306,000
Total assets	2,380,509	2,379,201
Accts. & tax. pay.	6,813	11,462
Capital stock	1,391,600	1,391,600
Capital surplus	359,480	370,476
Earned surplus	622,616	605,663
†Market value	1,770,000	1,929,415

■Does not reflect sale of subsid. shs. to Que. Hydro for $550,000.

MARITIME TRUST CO., St. John, N.B., 1949 net profit amounted to $18,429, against $13,570 in 1948.

Estates, trusts and agencies account totaled $6,192,770 at Dec. 31, 1949, compared with $6,171,376 a year earlier.

President C. F. Inches states that the principle of investing only in Dominion, Provincial and high-grade Municipal bonds has been maintained.

	1949	1948
Liab. to public*	$5,132	$6,318
Shareholders' equity	255,306	243,832
Dep. vaults depr. res.	14,307	14,003
*Secured by:		
Deposit vaults, etc.	16,562	15,869
Liquid assets♦	258,183	248,284
Total	274,745	264,153
♦Includes bonds and stocks.		
Estates account	6,192,770	6,171,376
Net profit	18,429	13,570
Earned per share†	$10.60	$7.80
Paid	4.00	4.00

†Based on capital stock paid-up.

CONIAURUM MINES recorded a net profit of $204,204 or 7.4c a share in 1949, compared with $213,424 or 7.7c a share in 1948. A total of 141,730 tons of ore was treated, having an average grade of $8,918 per ton. Cost per ton (before depreciation, taxes, etc.) amounted to $7.55, against $7.78 in 1948.

Underground development, accompanied by diamond drilling, was carried out in all active sections of the mine and President J. M. Cunningham-Dunlop states that there was a greater footage of drifting in ore than at any time since 1940. Ore disclosures in No. 67 vein on the 5,000-ft. level, No. 51 vein on the 4,500-ft. level and No. 68 vein on the 2,000-ft. level were the important developments during the year, he states.

INCOME ACCOUNT

Years Ended Dec. 31:	1949	1948
Bullion prod.	$1,226,328	$1,189,715
Less: Oper. exp.	1,079,047	1,013,945
Oper. earnings	147,281	175,770
Add: Other inc.	9,398	6,725
Est. Cost-Aid	113,000	94,000
Less: Sec. sales loss	......	9,776
Total earnings	269,679	266,719
Less: Taxes	43,500	45,572
Outside expl.	10,117	......
Deprec.	11,858	7,723
Net profit	204,204	213,424
Less: Dividends	152,172	138,337
Surplus for year	52,032	75,087
Earned per Share	$0.074	$0.077
Paid	0.05½	0.05

CONDENSED BALANCE SHEET

As at Dec. 31:	1949	1948
Cash & bullion	$287,680	$285,135
Dom. bonds*	175,000	175,000
Accts. rec.	11,060	8,330
Quoted shares*	248,622	209,292
Est. Cost-Aid	46,711	39,207
Mat. & supplies	132,318	146,118
Frobisher shs.■	175,806	164,046
Total curr. assets	1,077,197	1,027,128
Prep. & def. chgs.	18,582	21,836
Int. in other cos.	374,550	372,317
Claims & props.	2,243,709	2,243,709
Plant & equip.†	27,668	29,774
Total assets	3,741,706	3,694,764
Accts., etc., pay.	67,281	67,740
Taxes payable	22,370	27,000
Total curr. liab.	89,651	94,740
Capital stock	3,747,495	3,747,495
Less: Deficit	95,440	147,471
*Market value	175,000	175,362
*Market value	252,665	229,150
†After depr. of	1,346,751	1,334,893
■104,650 shs. in 1948.	111,650 shs. in 1949.	
Working capital	987,546	932,388

OPERATING STATISTICS

	1949	1948
Tons milled	141,730	129,175
Average recov.	$8.65	$9.21
Ore reserves, tons:		
Broken	66,001	77,778
Grade	$9.63	$9.80
Unbroken	238,410	230,885
Grade	$7.68	$7.88

ACADIA TRUST CO., Truro, N.S., net profit for the year ended Nov. 30, 1949, amounted to $49,922, up slightly from $47,894 the previous year.

Liabilities to the public, etc. amounted to $1,483,570 at Nov. 30, 1949 ($1,600,197) and were secured by liquid assets of $2,413,574 ($2,496,502) and mortgages of $436,696 ($360,536).

Estates, trusts and agencies account totaled $9,478,647 ($8,544,477).

Years Ended Nov. 30:	1949	1948
Liabs. to public, etc.*	$1,483,570	$1,600,797
Shareholders' equity	1,087,943	1,076,021
Security deprec. res.	179,757	180,220
*Secured by:		
Mortgages	436,696	360,536
Liquid assets♦	2,314,574	2,496,502
Total	2,751,270	2,857,038
♦Includes bonds and stocks.		
Estates account	9,478,647	8,544,477
Net profit	49,922	47,894
Earned per Share	$24.96	$23.95
Paid	19.00	19.00

AREA MINES in 1949 investigated the Gaspé area where Noranda's copper ore deposits are located, staked 89 claims. A petrometer survey showed "interesting results," to be followed up in 1950. A total of 30 claims were staked at Relique Lake, Que. At Dec. 31, 1949 the company had cash of $157,778 and its investment in Lake Dufault Mines amounted to 345,600 shares.

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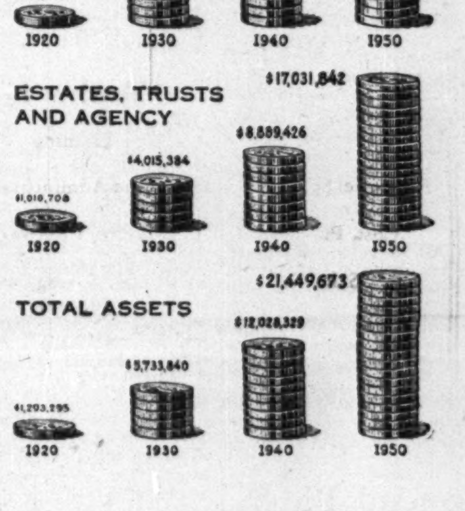

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Director, The Dominion Life Assurance Company

LOUIS L. LANG, Vice-President
President, The Mutual Life Assurance Company of Canada
Director, Bank of Montreal

P. V. WILSON, Executive Vice-President
Director, The Waterloo Mutual Fire Insurance Company

T. W. SEAGRAM, Vice-President
President, Canada Barrels & Kegs, Limited

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MONTREAL 1

Loan Companies Increase Mortgages to 63% Assets

Assets of the 11 loan companies who are members of Dominion Mortgage & Investments Association increased by $2 millions or 0.8% in 1949 to amount to $257.8 millions, according to the Association's annual report. Assets of these companies comprise about 90% of assets of all loan companies in Canada.

A steadily increasing proportion of investment funds of the member loan companies is being channeled into mortgages, the Association states. The mortgage investments rose by $20 millions in 1949 and now constitute 63.5% of total assets as compared with 56.1% at the end of 1948 and 70.5% in 1939.

Since loan companies are primarily mortgage lending institutions this trend is not surprising. It is also not surprising to find that loan companies have a larger percentage of their assets in mortgages than have life insurance companies or trust companies. Mortgage investments comprise 15.83% of the total assets of member Canadian life insurance companies and 28.3% of member trust companies.

An analysis of the distribution of the assets in 1949 and in 1948 reveals that the member loan companies decrease their holdings of Dominion of Canada bonds and of corporation bonds. Holdings of municipal bonds increased slightly, while investment in provincial bonds remained unchanged. Common and preferred stocks held by the loan companies decreased about 3% in dollar amount.

In view of the building activities since the end of the war, it is not surprising to note that the investment in mortgage loans has been rising and the investment in bonds, particularly Government of Canada bonds, has been dropping. During the war, of course, building was curtailed and stress was placed on investment of all available funds in Dominion Government War and Victory bonds. In the last three years the percentage of assets represented by mortgages has climbed from 50.5% to 63.6% but is still below the 1939 level of 70.6%.

The following table prepared by Dominion Mortgage & Investments Association shows the distribution of assets and changes in percentage distribution for its 11 member loan companies.

DISTRIBUTION OF ASSETS OF LOAN COMPANIES

	Dollar Distribution (Thousands of Dollars)		Percentage Distribution			
	1949	1948	1949	1948	1947	1939
	$	$				
Dom. Gov't Bonds	42,406	52,836	16.45	20.66	26.80	
Prov. Gov't Bonds	6,117	6,116	2.37	2.39	2.25	8.21
Can. Mun. Bonds	2,026	1,749	.79	.68	.75	
Other Gov't Bonds	552	555	.21	.22	1.80	1.57
Total Gov't Bonds	51,101	61,256	19.82	23.95	31.60	9.78
Corporation Bonds	2,150	3,641	.83	1.42	2.12	0.87
Corporation Stocks	18,881	19,446	7.32	7.60	6.89	5.04
Mortgages in Canada	163,842	143,614	63.56	56.14	50.49	70.57
Real Estate held for sale	3,457	4,689	1.34	1.83	2.02	5.78
Other Real Estate	5,842	5,390	2.28	2.11	2.20	3.21
Collateral Loans	256	707	.10	.28	.11	0.14
Cash	9,877	15,660	3.83	6.12	3.93	4.13
Other Assets	2,364	1,401	.92	.55	.64	0.48
Total Assets	257,770	255,804	100.00	100.00	100.00	100.00

Defense Housing Program $66 Millions, 7,134 Units

Canada's military establishment is costing the taxpayer plenty for housing alone.

Married recruits and servicemen are getting the big break in new style family living at defense bases.

Some $66 millions has been spent or committed for 7,134 new houses—$9,000 to $9,500 a unit—at naval, army and air establishments in National Defense Dept.'s 1949-50 housebuilding program being carried out under supervision of Central Mortgage & Housing Corp.

Added this year and yet to start building are 2,568 houses—254 for the Navy, 643 for the Army, 1,671 for the Air Force. Completion of the 1950 program is slated for 1952. That's a $15.5 millions investment by the taxpayer.

Under construction or completed are 4,566 houses in the 1949 defense housing program—1,126 for the Navy, 1,737 for the Army, 1,703 for the Air Force. At an average per unit cost of, say, $9,250, that's another $50.5 millions building bill for the behind-the-lines taxpayer.

Houses are mostly detached and of frame construction. An exception is the Tuft's Cove, N.S. naval establishment, where new married quarters are going up in brick blocks containing a total 521 apartments. All are single family dwellings except those at Tuft's Cove and Picton, Ont. At the latter base, a frame block is under construction.

New Program to Start

Here's the added 1950 program of 2,568 houses yet to start building.

Navy — St. John's, Nfld., 5 units; Dartmouth, N.S., 125; Coverdale, N.B., 24; Belmont Park, B.C., 100; total, 254 houses.

Army — McGuiney, N.B., 8 houses; Barriefield, Ont., 207; Camp Borden, Ont., 100; Petawawa, Ont., 44; Calgary, 103; Suffield, Alta. (Defense Research Board), 76; Bourdry, B.C., 35; Chilliwack, B.C., 55 and Esquimalt, B.C. (Macauley), 15; total, 643 houses.

Air Force—Summerside, P.E.I., 105 houses; Debert, N.S., 15; Greenwood, N.S., 90; Chatham, N.B.,75; Bagotville, Que., 35; St. Hubert, Que., 80; Camp Borden, Ont., 90; Centralia, Ont., 175; Rockcliffe (Ottawa), 300; Trenton, Ont., 281; Rivers, Man., 100; Namao, Alta., 250; Sea Island, B.C., 75; total, 1,671 houses.

1949 Program Under Way

And this is the 4,566-unit program put under way last year for completion in 1951.

Navy—Kenna's Hill, Nfld., 22 houses; Albro Lake, N.S., 30; Cornwallis, N.S., 110; Tuft's Cove, N.S., 521; Gloucester, Ont., 12; Belmont Park, B.C., 371; Canadian Service College, Royal Roads, B.C., 20; Esquimalt, B.C. dockyard, 20; Esquimalt (Naden), 20; total, 1,126 houses.

Army — Barriefield, Ont., 283 houses; Camp Borden, Ont., 204; Petawawa, Ont., 250; Picton, Ont., 200; Calder, Alta., 4; Currie Barracks, Alta., 250; Shilo, Man., 300; Chilliwack, B.C., 135; Esqimalt (Macauley), B.C., 75; total, 1,737 houses.

Air Force—Summerside, P.E.I., 150 houses; Greenwood, N.S., 100; Chatham, N.B., 100; Bagotville, Que., 115; St. Hubert, Que., 100; Camp Borden, Ont., 88; Centralia, Ont., 135; Clinton, Ont., 95; Rockcliffe, Ont., 200; Trenton, Ont., 250; Currie Field, Alta., 50; Namao, Alta., 100; Rivers, Man., 100; Winnipeg, 85; Sea Island, B.C., 35; total, 1,703 houses.

Of the 4,566 dwelling units in the 1949 program, 352 had been completed by April 30, 1950, while another 2,596 were under way and 1,618 were to be started this spring.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

ANGLO-NEWFOUNDLAND DEVELOPMENT CO. consolidated 1949 net profit of $2,868,585 was off 52.6% from 1948.

The parent company's profit dropped $347,067 to $3,611,548. Markets for newsprint outside the dollar area fell away during the year and, with the appearance of a saturation point in the U.S. market late in the year, production was cut to a five day week. The turn of the year, states President E. M. Little, saw a marked improvement and "a reasonable prospect" for maintaining a normal rate of production in the immediate future is foreseen. Capital expenditures during the year totaled $2,687,755 and are estimated at $4.7 millions over the next year or so to complete the modernization program.

Subsidiary Gaspesia Sulphite Co., as it is the only unit in Canada whose sole product is unbleached sulphite, was hard hit by the serious weakening in demand and falls in the U.S. market price for unbleached sulphite in 1949. A deficit of $195,274 was recorded for the year. Firming of demand and price towards the close of 1949 prompts expectations that "the mill will operate economically throughout 1950."

The subsidiary Terra Nova Properties Ltd. net income was "considerably lower" than 1948, as a result of lower market prices and despite an increase of 15,000 tons in quantity of ore milled, to 334,000 tons. Ore reserves "can be reasonably assumed" to be not less than the four million tons shown last year.

Both Montmorency Co. Ltd. and Montmorency Shipping Inc. were wound up in 1949. Distribution to Anglo-Newfoundland exceeded the $865,951 book value of the investments.

A new company, Montmorency Shipping Ltd., was formed in February, 1949, to charter "suitable vessels as required" for freighting the parent company's products to North and South American markets.

CONS. INCOME ACCOUNT

Years Ended Dec. 31:	1949	1948
	$	$
Net earnings	5,225,320	10,729,353
Less: Depr. & depl.	1,403,652	1,438,388
Fire reserve	45,219	93,888
Maint. reserve	19,047	25,955
Loss on invest. w/o	......	105,889
Min. int.	35,280	333,853
Income tax	853,537	2,685,000
Net profit	2,868,585	6,046,380
Less: Divds	1,819,805	1,819,805
Surplus for year	1,048,780	4,226,575
Earnings per Share and Dividend Record:		
Com.: Earned	$1.58	$3.32
Payable†	1.00	1.00

†The following year.

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1949	1948
Cash	$8,304,601	$6,590,022
Invests.‡	50,000	50,000
Accts. rec.	5,230,969	7,780,629
Inventories	11,643,752	13,064,143
Total curr. assets	25,229,322	27,484,794
Invest. & dev.	1,497,011	1,495,053
Fixed assets†	14,995,962	10,633,759
Total assets	41,722,295	39,613,606
Total curr. liab.	4,467,957	6,870,802
Reserves	14,982,274	10,452,649
Min. int. in subs.	5,772	206,692
Capital stock	9,099,025	9,099,025
Earned surplus	13,167,267	12,984,438
‡Market value	50,000	50,062
†After depr. & depl. of	14,593,575	15,635,375
Working capital	20,761,365	20,613,992

Mortgage Distributions By Property Types
(Gross mortgage loans on real estate approved, 1949)

Type of Loan	Life Ins. Co's	Trust Co's	Loan Co's	Frat. Soc.	Fire Ins. Co's
			($000)		
Non-farm—New					
Residential, single	136,737	8,982	19,235	3,768	183
Residential, multiple	36,435	755	3,577	2,255	250
Other real estate	21,981	1,224	11,910	1,478	320
Non-farm—Existing					
Residential, single	33,065	12,732	25,587	445	137
Residential, multiple	14,588	2,498	7,465	382	92
Other real estate	26,860	3,434	8,610	1,328	220
Farm—all property purposes	2,719	1,083	3,114	....	....
Total	272,385	30,708	79,498	9,656	1,202

Ontario Companies Study Common Trust Fund Plans

Trust companies in Ontario are currently giving consideration to the principles and controls which should govern the operation of common trust funds, The Financial Post is told.

The Government of Canada is also studying the question of passing enabling legislation to give authority to Dominion incorporated companies to operate common trust funds under provincial legislation and in accordance with provincial requirements, The Post understands. It is expected that the amendment of its Trust Companies Act to do this will be passed at the current session.

It is considered likely that the other provinces will wait until the pattern has been set up in Ontario and the federal act is fixed up before making any change, The Post is told.

Authority for all trust companies carrying on business in Ontario to establish and operate such funds was given by the Ontario Government at its session this spring. A new section 74 (a) to the Loan and Trust Corporations Act, 1949, was passed which reads as follows:—

(1) "Notwithstanding the provisions of this or any other Act, any provincial trust company and any other registered trust company that has capacity to do so may, unless the trust instrument otherwise directs, invest trust money in one or more common trust funds of the company and where trust money is held by the company as a co-trustee, the investment thereof in a common trust fund may be made by the company with the consent of its co-trustees whether the co-trustees are individuals or corporations.

(2) "The Lieutenant-Governor in Council may make regulations with respect to the establishment and operation of common trust funds and the investment of trust money in such funds.

(3) "In this section, 'common trust fund' means a fund maintained by a trust company in which money belonging to various estates and trusts in its care is combined for the purpose of facilitating investment."

What is a common trust fund?

A common trust fund is one in which moneys belonging to a number of estates and trusts are combined for investment purposes thus affording a method under which the moneys of a number of small and medium-sized estates and trusts are combined for the purpose of receiving greater safety of principal and stability of income through the resulting diversification of risks and reduction in administration costs.

The A.B.A. Trust Division adopted the following definition in October, 1934:

> "The term common trust fund means a fund established by a corporate trust institution, in which is combined for the purpose of facilitating investment, money belonging to various trust accounts in its care, the participating contributory interests of said accounts being appropriately evidenced."

Why set up these funds?

Common trust funds allow companies to provide diversification and liquidity in investments for small trusts and estates; they enable the corporate trustees to administer such trusts economically and profitably to the benefit of the trusts and to themselves, it is argued.

The cost savings afforded by their operation may prove an important factor in combating the ever-rising cost of doing business and at the same time allow the field of service of trust companies to be widened by making it possible for them to accept smaller accounts, proponents state. It would be one method of providing for the trend to smaller estates.

What was the situation in Canada?

The Dominion Trust Companies Act recognizes common trust funds but places a limit of $3,000 a trust on the amount which may be put in.

British Columbia, formerly only province whose act provided for them, has the same limit as the Dominion's Act.

Some Dominion and provincial trust companies have provision in their special acts of incorporation to establish such funds.

It is understood that there are three or four common trust funds in operation in Canada although they are generally referred to as "general trust funds" here rather than "common trust funds."

The trust companies carrying on business in Ontario will not start operating common trust funds until they have settled and drawn up the mechanics, rules and controls governing the operations of such funds. As they have no Canadian precedent this is quite a task which will require careful consideration of all angles, as the companies do not want to get started on any lines which might not prove sound. This will take some time.

What sort of questions must be ironed out?

(1) How is fund to be set up?

(2) To what extent will U. S. practice and experience be applicable to the Canadian operation?

(3) What would be the best way of handling the various bookkeeping problems?

(4) What should be the maximum size of amount invested per trust? In the United States the limit for any one trust now is the smaller of 10% of the total value of the assets of the common fund or $50,000.

(5) What should be the minimum size of the total fund?

The A.B.A. Trust Division states that there is some opinion that for a smaller trust institution the economical minimum is not less than $200,000.

(6) What provisions should be made for withdrawal from the common fund? What securities should be disposed of to provide for the withdrawal?

(7) How will participation be evidenced? Issuance of units of participation would be one method.

What about minimum size?

In discussing minimum size of funds in its book, "Common Trust Funds" (2nd edition), the Trust Division of American Bankers Association states:

"It may also be said that a common trust fund should be large enough to assure operating economies and efficiency, which will increase the size of the fund and will be sufficient to more than counterbalance the expense of its setup"

See Minor Changes In Trust, Loan Acts

OTTAWA (Staff)—Only very minor changes are expected in the amendments to the Trust and Loan Acts, forecast for passage by Parliament later this year.

The Trust Company Act was extensively revised in 1947, and corresponding revisions made in the Loan Company Act in 1948. One of the achievements at that time was to bring these acts more into conformity with parallel insurance company law and practice.

The proposed 1950 revisions are as yet only in very tentative stages. It is hoped to bring them in later this session. But present plans call for only minor amendments.

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(31st December, 1949)
$28,731,240

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Albert J. Nopper and Ernest W. Carpenter, Assistant Managers
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Eric Horton, Market Branch Accountant
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The Financial Post Statistical Record of Trust and Loan Companies

Unless otherwise stated year taken is the calendar year. Net profit is the balance of profit after deducting total taxes and write-offs on property, showing the amount available for dividends. Earnings per share are calculated on net profit as shown, based on paid-up capital at the end of the fiscal year.

Trust Companies

Trust Companies	Year	Gtd. Trust Account $	Capital Account $	Estates, Trusts, etc. $	Combined Total $	Paid-up Capital $	Par Value $	Net Profit $	Earn. per Sh. $	Dividends Paid or Pay. $	Surplus Forward $	Reserve $	OFFICERS
ACADIA TRUST	*1949	1,459,610	1,291,660	9,478,647	12,229,917	200,000	100	49,922	24.96	19.00	87,943	800,000	A. R. Coffin,* chm.; H. F. Bethel,* pres. & mgr.; C. E. Stanfield,* vice-pres.; P. J. Wilcox, sec.; J. W. MacLeod, H. M. Chase, F. C. Manning, R. A. MacGregor, M. R. Chappell. *Member executive committee.
*Year ended Nov. 30	*1948	1,577,210	1,279,828	8,544,477	11,401,515	200,000	...	47,894	23.95	19.00	76,021	800,000	
ADMINISTRATION AND TRUST	♦1949	4,432,858	2,242,692	125,346,318	132,021,867	1,193,750	25	73,144	1.53	1.50	*666,148	‡200,247	Hon. E. L. Patenaude, chm.; Joseph Simard, pres.; Hon. J. A. Brillant, Count Cahen D'Anvers, *Albert Hudon, J. T. Leclerc, vice-presidents; Herbert Chretien, gen. mgr.; J. C. Brosseau, gen. sec.; Jacques St-Aubin, treas.; Jacques Geoffrion, sec. *Deceased.
†Incl. $500,000 uncalled capital. ‡Total reserves.	1948	564,850	†1,548,897	26,934,726	29,048,473	500,000	...	41,650	2.08	1.50	241,293	‡205,364	
♦Consolidated statement of co. and wholly owned subsidiaries Sun Trust Ltd. and Trust Co. of America, acquired June 1, 1949. *Including $400,856 surplus arising from consolidation.													
BRITISH CANADIAN TRUST	1949	852,346	367,509	2,507,654	3,727,509	200,000	100	22,281	11.14	5.00	5,299	35,000	R. R. Davidson, pres.; G. C. Paterson, vice-pres.; H. D. Rood, mgr. & sec.; G. H. Roy, George Lomas, J. H. Westbrook.
	1948	706,848	380,872	2,398,782	3,486,502	200,000	...	16,415	8.21	5.00	2,760	26,000	
BRITISH MORTGAGE & TRUST	1949	11,444,518	2,258,338	856,337	14,559,193	1,000,000	100	113,378	11.34	9.00	115,657	1,000,000	L. M. Johnston, pres.; W. H. Gregory, vice-pres. & man. dir.; Dr. H. W. Baker, vice-pres.; C. E. Moore, A. B. Manson, Dr. H. B. Kenner, Wilfrid P. Gregory; W. P. Bradshaw, asst. mgr.
	1948	10,289,502	2,220,710	980,150	13,490,362	1,000,000	...	112,441	11.24	9.00	92,279	1,000,000	
BROCKVILLE TRUST & SAVINGS	1949	1,978,913	909,984	2,413,293	5,302,190	500,000	50	49,035	4.90	3.00	40,727	250,000	J. G. Gardner, pres.; G. T. Fulford, vice-pres.; E. J. Smith, man. dir.; N. F. Richardson, treas.; Hon. H. A. Stewart, A. G. Parish, F. I. Ritchie, J. M. Dobbie, E. C. Cossitt, Geo. M. Rogers.
	1948	1,925,829	842,818	2,577,686	5,346,333	500,000	...	43,774	4.38	2.87½	22,192	250,000	
CANADA PERMANENT TRUST	‡1949	1,426,796	3,119,126	78,343,465	82,889,387	2,000,000	100	134,278	6.71	6.00	49,126	1,000,000	E. D. Gooderham, pres.; C. S. Robertson, F. S. Corrigan, vice-pres.'s; T. D'Arcy Leonard, gen. mgr.; W. F. Watkins, sec.; W. G. W. Robinson, inspector of branches; R. L. Warren, L. M. McCarthy, Samuel Rogers, H. S. Gooderham, J. A. MacAulay, H. W. Manning, C. J. Burchell, G. H. Aikins, J. P. Bell, W. S. Burrill, H. M. Patterson, J. M. Pigott, E. L. MacDonald.
‡Including assets of General Trust & Executor Co. acquired February, 1949.	1948	66,691	3,102,849	72,109,827	75,279,367	2,000,000	...	101,738	8.14	6.00	34,849	1,000,000	
CANADA TRUST	‡1949	15,154,249	2,049,166	108,071,310	125,274,725	1,000,000	100	136,669	13.67	8.00	32,166	800,000	Col. Ibbotson Leonard, chm.; Morley Aylsworth, pres. & gen. mgr.; J. W. Hobbs, Hon. Ray Lawson, Rt. Hon. Arthur Meighen, vice-pres's.; D. McEachern, asst. gen. mgr. & sec.; R. P. Baker, asst. gen. mgr. & invest. exec.; J. A. Taylor, asst. gen. mgr. & trust exec.
‡Includes assets of Guelph Trust Co. acquired Nov. 22, 1949.	1948	13,721,355	2,053,625	96,156,538	111,931,518	1,000,000	...	85,715	8.57	7.00	25,496	750,000	
CENTRAL TRUST OF CANADA	1949	4,503,653	447,992	10,621,369	15,573,014	299,750	100	28,316	9.45	6.00	29,937	100,000	Hon. Fred Magee chm.; Dr. N. A. Hesler,* pres.; A. D. Smith,* 1st vice-pres.; R. A. Macnaughton,* 2nd vice-pres.; R. W. Ganong,* 3rd vice-pres.; E. H. Ritcey, sec.-treas. & gen. mgr.; C. C. Avard,* A. H. Lamy, C. W. Fawcett, E. A. Dixon, M. P. Fraser,* H. M. Wood,* Ambrose Wheeler, Dr. H. E. Britton, A. B. Ramsey, T. B. Parlee, J. E. Murphy,* Miss Ruth Sumner. *Member exec. committee.
	1948	4,299,289	417,668	9,785,470	14,502,427	289,750	...	26,236	9.05	6.00	16,101	100,000	
CHARTERED TRUST*	1949	14,099,143	2,126,243	37,500,474	53,725,860	1,000,000	†20	115,314	†2.31	‡	121,607	900,000	R. R. Corson, pres.; Col. K. R. Marshall, C. G. Greenshields, J. M. Macintosh, N. C. Urquhart, vice-pres's.; H. E. Langford, gen. mgr.; D. P. MacDougall, asst. gen mgr.; H. G. Soward, sec.; R. J. Hallawell, treas.
*Name changed from Chartered Trust & Executor Co. July 1, 1949. †After 5-for-1 split effected July 1, 1949. ‡Bid 50c. per new share and $2.50 per old share	1948	12,687,076	3,057,907	36,209,891	50,954,874	1,000,000	100	109,264	10.93	5.00	156,293	800,000	
CROWN TRUST CO.	1949	19,364,330	2,118,183	88,971,793	110,454,306	1,267,500	100	138,500	10.93	5.00	154,832	600,000	I. P. Rexford, pres. & gen. mgr.; Col. The Hon. H. A. Bruce, J. A. McDougald, Hon. G. P. Campbell, vice-pres's.; H. A. Howard, vice-pres. and gen. mgrs.; R. S. Anderson, E. T. Godwin, asst. gen. mgrs.; C. D. Henderson, sec.; Paul Harris, treas.; G. St. J. Vale, compt.
	1948	15,290,278	2,020,320	84,128,366	101,438,964	1,267,500	...	133,262	10.51	5.00	179,697	500,000	
EASTERN TRUST	1949	18,322,367	1,819,238	90,314,673	110,456,278	1,000,000	*10	94,737	0.95	0.80	28,024	600,000	Hon. F. B. McCurdy, pres.; F. P. Starr, A. J. Campbell, A. S. Fraser, vice-pres's.; F. H. M. Jones, gen. mgr.; F. B. A. Chipman, trust officer.
*Stock split 10 for 1 in Aug., 1948. ‡Paid 40c on new $10 par shs. and $4 on old $100 par shs.	1948	15,794,102	1,786,295	86,115,692	103,696,089	1,000,000	...	85,113	*0.85	‡	51,467	550,000	
GENERAL TRUST & EXECUTOR	Taken over by Canada Permanent Trust Co. as of Mar. 1, 1949, for $390,000, on basis of $130 cash per share, or one share of Canada Permanent Mtge. stock and $65 cash for each two General Trust shares held.												
GENERAL TRUST OF CANADA	1949	4,311,656	1,615,077	130,974,193	136,900,906	*1,105,000	†100	70,858	†6.44	†°5.00	130,778	200,000	Hon. Donat Raymond, pres.; Beaudry Leman, L. J. A. Amyot, Rene Morin, vice-pres.; Honore Parent, gen. mgr.; Romeo Bertrand, sec.-treas.; L. E. Beaulieu, Geo. Belleau, Emile Corbeil, J. H. Cote, Aristide Cousineau, J. L. Demers, G. T. Donohue, Marcel Faribault, Oscar Hamel, Chas. Laurendeau, Hon. J. Nicol, A. H. Paradis, G. G. Ryan, L. G. Ryan, J. A. Trudel.
*Comprising $1,100,000 7% non-cum. pref., $100 par, and $5,000 common, $5 par. †Pref. only. °None paid on common.	1948	3,752,666	1,540,637	120,430,623	125,723,926	*1,105,000	...	76,948	†7.00	†°5.00	114,921	200,000	
GREY & BRUCE TRUST & SAVINGS	1949	12,120,092	‡1,427,217	3,516,950	17,064,259	875,700	50	105,320	6.01	3.50	*	400,000	G. D. Fleming, pres.; J. G. Fraser, 1st vice-pres.; O. E. Manning, 2nd vice-pres. & gen. mgr.; T. A. Mackay, 3rd vice-pres.; R. G. Thomas, sec.; K. D. Johnston, treas.; Dr. A. L. Danard, G. D. McLauchlan, Dr. R. Howey, E. N. Cooper, W. L. Brown, W. B. Lemon, F. G. MacKay, Campbell Grant.
‡Incl. deprec. res. on office premises. *Surplus for year transferred to reserves.	1948	11,969,619	‡885,760	3,480,055	16,355,434	544,700	...	70,962	6.51	3.50	*	200,000	
GUARANTY TRUST	1949	18,160,546	1,892,736	40,041,835	60,095,116	1,250,000	10	95,664	‡0.77	°5.00	93,070	500,000	J. W. Berry, pres. & gen. mgr.; E. B. Winter, chm. of board; A. J. Major, vice-chm. of board; E. M. Proctor, Robert Maisey, F. H. Leslie, H. H. Racine, vice-pres.; E. T. Berry, A. B. Ramsay, asst. gen. mgrs.; G. H. Edwards, compt.; J. McGrail, exec. asst.; J. A. Thompson, sec.
‡Based on 125,000 shs. o/s after 10-for-1 split Dec. 20, 1949. °Old stock †Based on 10,000 shs. o/s.	1948	16,139,895	1,621,754	37,935,678	55,697,327	1,000,000	100	77,117	†7.71	5.00	52,937	500,000	
GUARDIAN TRUST	1949	4,685	494,950	12,067,709	12,567,344	195,200	100	8,377	4.29	3.00	12,685	44,923	Stanley Stanger, chm.; Robert Stanger, pres.; J. B. Frosst, vice-pres.; P. A. Pinck, vice-pres. & treas.; R. C. Tees, vice-pres. & sec.; Jacques Beique, J. O. Harris, St. C. C. Holland, C. L. Abbott, Harold Braff, M. L. Loucks, J. M. Rudel.
	1948	5,365	493,578	11,209,459	11,709,402	195,200	...	11,929	6.11	3.00	10,658	44,923	
GUELPH TRUST	1948	558,752	613,869	7,942,892	9,115,513	302,500	50	29,653	4.89	2.50	83,722	200,000	
Purchased Nov. 22, 1949, by The Canada Trust Co. for $756,309, shareholders receiving $105.40 for each fully-paid and $40.56 for each partly-paid share.													
INDUSTRIAL MORTGAGE & TRUST	1949	6,551,725	1,167,704	1,147,112	8,866,541	635,000	50	65,281	5.14	3.25	73,363	400,000	John Cowan, pres.; J. H. Anderson, 1st vice-pres.; W. J. Skinner, 2nd vice-pres.; W. R. Paul, man. dir.; Homer Lockhart, Malcolm McGugan, W. D. MacKenzie, J. H. Moffatt, Dr. C. M. Carruthers, W. D. Ferguson.
	1948	6,136,023	1,117,889	1,073,296	8,327,208	635,000	...	60,650	4.78	3.25	69,357	380,000	
LAMBTON TRUST	1949	....	406,775	2,147,384	2,554,159	315,350	50	15,031	2.38	1.75	15,681	75,000	C. H. Belton, pres.; J. A. Smith, vice-pres.; W. A. Donohue, W. H. Kenny, R. M. E. McDiarmid, Dr. J. F. Roberts, H. M. Taylor.
	1948	....	406,635	1,927,580	2,334,215	315,350	...	12,890	2.04	1.75	14,687	75,000	
MARITIME TRUST	1949	....	274,745	6,192,770	6,467,515	173,875	100	18,429	10.60	4.00	81,431	......	H. P. Robinson, chm.; C. F. Inches, pres.; C. N. Wilson, P. G. Clark, vice-pres's.; H. C. Wilson, gen. mgr.
	1948	....	264,153	6,171,376	6,435,529	173,875	...	13,570	7.80	4.00	69,957	......	
MONTREAL TRUST	1949	36,516,433	8,840,685	857,719,534	903,076,652	2,000,000	25	525,413	6.57	4.00	703,081	4,500,000	W. H. Howard, pres.; S. G. Dobson, vice-pres.; O. B. Thornton, vice-pres. & gen. mgr.; J. C. Kelly, H. J. Knubley, asst. gen. mgrs.; M. C. Holt, sec.; W. Williamson, compt.
	1948	32,074,639	8,659,624	857,293,447	898,027,710	2,000,000	...	544,146	6.80	4.00	997,668	4,000,000	
NATIONAL TRUST	1949	28,571,995	6,692,784	341,937,862	377,202,641	3,000,000	10	420,850	1.40	1.00	409,677	3,000,000	Hon. Leighton McCarthy, chm.; W. M. O'Connor, pres.; R. A. Laidlaw, Rt. Hon. Sir Thomas White, G. A. Morrow, A. N. Mitchell, vice-pres's.; J. G. Hungerford, gen. mgr.; H. A. Clarke, R. W. Pearson, H. H. Wilson, asst. gen. mgrs.; W. N. Simpson, sec.; E. D. Nighswander, compt.; E. H. Heeney, treas.
	1948	28,721,948	6,551,330	332,282,823	367,556,101	3,000,000	...	404,023	1.35	1.00	288,827	3,000,000	
NORTHERN TRUSTS	1949	103,904	1,736,469	17,660,020	19,500,393	1,000,000	20	56,311	1.13	0.80	203,117	400,000	C. S. Riley, chm. exec. comm.; J. H. Riley, pres. & gen. mgr.; W. A. Murphy, R. J. Gourley, vice-pres's.; Wm. Milton, sec. & treas.; H. C. Ashdown, H. J. Bird, N. J. Breen, J. A. Crowe, A. L. Denison, W. J. Dowler, W. H. Howard, M. A. MacPherson, Geo. McLean, G. W. Northwood, H. J. Riley, C. G. Smith, E. J. Tarr
	1948	114,649	1,770,431	16,607,152	18,492,232	1,000,000	...	62,723	1.25	1.20	160,109	400,000	
NOVA SCOTIA TRUST	*1950	3,454,418	963,413	17,031,842	21,449,673	500,000	100	53,610	10.72	7.00	39,055	350,000	M. S. Clarke, pres.; R. W. Elliott, A. N. Jones, vice-pres's.; Donald G. Grant, gen. mgr.; E. Fraser, sec.; L. A. Forsyth, G. E. Graham, Dr. G. H. Murphy, A. A. McIntyre, H. P. MacKeen, F. A. Nightingale, W. D. Purcey, J. E. Rutledge, C. L. Sanderson, W. H. C. Schwartz, F. H. Sobey, J. A. Walker, Dr. M. J. Wardrope.
*Year ended last day of Feb.	*1949	2,778,722	942,923	15,595,463	19,317,108	500,000	...	54,114	10.82	7.00	20,445	350,000	
OTTAWA VALLEY TRUST	1949	....	384,152	7,031,637	7,415,789	400,800	100	1,034	0.25	nil	▪40,629	nil	G. G. Gale, pres.; J. G. Fleck, C. M. Edwards, vice-pres.; J. S. Shakespeare, gen. mgr.; W. R. Beatty, E. R. Bremner, D. P. Cruikshank, G. M. Edwards, D. H. Findlay, H. R. T. Gill, D. A. Gillies, John Gleeson, D. K. MacTavish, G. W. Mitchell, G. S. Murray, B. B. Osler, Hon. N. M. Paterson, Hon. Cairine R. Wilson, N. F. Wilson.
▪Deficit. dDeficit per sh.	1948	....	381,184	5,564,834	5,946,018	400,800	...	▪7,986	d1.90	nil	▪41,664	nil	
PREMIER TRUST	1949	3,665,179	1,679,350	6,997,255	12,341,784	1,184,479	100	35,421	2.99	2.00	60,305	†200,000	T. B. Holmes, pres. & gen. mgr.; John Dearness, vice-pres.; N. S. Watt, sec.; A. H. Seguin, D. C. MacLachlan, J. G. Holmes, W. C. Fisher, Dr. Gordon Hyland.
†Investment reserve	1948	3,446,949	1,640,844	7,061,520	12,149,312	1,183,822	...	41,976	3.55	2.00	58,563	†190,000	
PRUDENTIAL TRUST	1949	....	485,569	8,434,483	8,920,052	175,270	10	15,629	0.89	0.50	195,424	100,000	L. R. Champion, chm. of board; L. M. St.B. Collins, pres.; F. S. Taylor, vice-pres. & man. dir.; D. F. Rogers, gen. mgr.; Alfred Hall, sec.; G. M. Rae, treas.; F. M. Wells, H. F. Stanfield.
	1948	....	471,883	6,372,251	6,844,134	175,270	...	18,056	1.03	0.50	179,469	100,000	
ROYAL TRUST	1949	22,627,952	14,816,932	965,017,830	1,002,462,714	2,000,000	20	522,831	5.23	4.00	1,133,055	5,000,000	R. P. Jellett, chm. of board; Ross Clarkson, pres.; J. A. Eccles, B. C. Gardner, vice-pres's.; J. Pembroke, gen. mgr.; W. E. Bickley, E. D. Parker, asst. gen. mgrs..
*Including securities held against contingent liability.	1948	°15,813,741	15,254,153	927,246,623	958,314,517	2,000,000	...	479,841	4.80	3.80	1,010,224	5,000,000	
SHERBROOKE TRUST	*1949	....	3,652,148	8,956,540	12,608,688	300,000	100	35,449	11.82	6.00	48,802	275,000	Chenier Picard, pres.; D. J. Salls, vice-pres.; P. M. Robins, sec.-treas.; C. L. Campbell, G. W. Murphy, Hon. J. Nicol, A. A. Munster.
*Year ended Sept. 30.	*1948	....	3,698,390	8,446,973	12,145,364	300,000	...	36,448	12.15	6.00	31,353	275,000	
SOCIETE NATIONALE DE FIDUCIE	1949	1,448,198	1,147,066	29,184,966	31,780,230	250,000	10	64,000	2.56	1.20	75,591	430,000	Victor Morin, pres.; J. V. Desaulniers, 1st vice-pres.; V. E. Beaupré, 2nd vice-pres.; Henri Ouimet, gen. mgr. & sec.; Charles Laurendeau, Dr. Hector Cypihot, Anatole Lachapelle, J. E. Laforce, L. A. Fréchette, Arthur Tremblay.
	1948	688,103	796,970	24,768,812	26,253,885	250,000	...	55,091	2.20	1.00	68,020	400,000	
STERLING TRUSTS	1949	5,371,241	1,177,839	7,560,139	14,109,219	842,300	100	78,353	9.30	6.00	54,022	250,000	Charles Bauckham, pres.; R. T. Birks, Robt. Bigelow, vice-pres's.; J. R. Lovatt, man. dir.; J. M. Smillie, treas.; E. R. Meredith, sec.; John Hallam, Lorne Johnson, Dr. S. J. Boyd, J. R. Boys, W. A. Dilworth, H. R. Frost, H. T. Burgess.
	1948	4,790,336	1,133,812	7,276,747	13,200,895	827,200	...	78,277	9.46	5.25	25,928	250,000	
SUN TRUST	1948	4,310,050	639,436	90,528,334	95,477,820	350,000	100	37,466	10.70	5.00	106,538	100.000	
Acquired June 1, 1949, by Administration & Trust Co., shareholders receiving 4 new $25 par value shares of Administration & Trust Co. for each Sun Trust share held.													
TORONTO GENERAL TRUSTS	1949	25,824,575	6,313,569	280,914,096	313,052,240	3,000,000	100	337,756	11.26	7.00	141,377	2,500,000	Charles McCrae, pres.; W. G. Watson, hon. pres.; Aubrey Davis, C. C. Calvin, vice-pres's.; G. C. Lindsay, gen. mgr.; A. R. Courtice, W. H. Mowat, D. K. Tow, asst. gen. mgrs.; James Lang, chief estates mgr.; A. J. Frost, compt.; H. B. Morphy, sec.
	1948	23,900,004	6,191,255	274,855,101	304,946,360	3,000,000	...	345,800	11.53	7.00	263,621	2,250,000	
VICTORIA TRUST & SAVINGS	1949	14,275,024	1,986,131	2,899,326	19,160,481	1,110,000	100	107,730	9.71	6.25	60,275	700,000	T. H. Stinson, pres.; H. J. McLaughlin, F. G. Perrin, vice-pres's.; G. A. Weeks, gen. mgr.; G. E. Phelps, asst. gen. mgr.; L. A. Walden, C. E. Weeks, S. A. Flavelle, G. S. Matthews, W. W. McLaughlin.
	1948	13,113,712	1,896,291	2,735,659	17,745,662	1,110,000	...	84,185	7.58	6.00	21,920	700,000	
WATERLOO TRUST & SAVINGS	1949	27,108,323	2,262,388	13,974,150	43,344,861	1,500,000	100	104,177	6.95	5.50	114,294	550,000	F. S. Kumpf, pres.; L. L. Lang, Henry Knell, vice-pres's.; P. V. Wilson, man. dir.; G. A. Dobbie, H. C. Krug, Hon. W. D. Euler, P. R. Hilborn, Dr. W. L. Hilliard, Wm. Henderson, Sr., Allan Holmes, H. L. McCulloch, J. E. F. Seagram, T. W. Seagram, F. H. Schneider, W. H. Somerville.
	1948	24,997,068	2,239,418	13,053,191	40,289,677	1,500,000	...	99,327	6.61	5.25	117,617	525,000	
WESTERN TRUST	1949	40,243	1,603,133	3,794,151	5,437,527	1,005,000	100	71,178	7.08	6.50	‡196,053	330,000	Robert Johnston, pres.; A. B. Adamson, man. dir.; A. I. Grierson, sec.; G. R. Whitmore, H. H. Smith, J. H. Lane, H. Adamson, J. S. McMahon.
‡Incl. refund. EPT of $4,715.	1948	43,810	1,608,122	3,926,159	5,578,091	1,005,000	...	67,144	6.68	6.50	‡205,486	330,000	

Mortgage Companies

Mortgage Companies	Year	Total Assets $	Mortgages, Interest & Sales Agree. $	•Liability to Public $	Paid-up Capital $	Par Value $	Net Profit $	Earn. per Sh. $	Dividends per Sh. $	Surplus Forward $	Reserve $	OFFICERS
CANADA PERMANENT MORTGAGE	1949	89,012,694	55,939,273	76,359,158	7,000,000	100	571,951	8.17	8.00	153,536	5,500,000	E. D. Gooderham, pres.; C. S. Robertson, vice-pres. and gen. mgr.; F. S. Corrigan, vice-pres.; W. F. Watkins, asst. gen. mgr.; J. W. Rose, Jr., sec.; W. G. W. Robinson, insp of branches; Samuel Rogers, R. L. Warren, L. M. McCarthy, T. D. Leonard, H. S. Gooderham, G. H. Aikins, J. A. MacAulay.
	1948	82,996,351	49,51[illegible],144	70,354,767	7,000,000	...	616,362	8.80	8.00	681,584	5,000,000	
CENTRAL CANADA LOAN & SAVINGS	1949	5,424,462	27,423	80,000	2,500,000	100	223,985	8.96	8.00	344,462	2,500,000	G. A. Morrow, pres.; Graham Morrow, vice-pres. & gen. man. dir.; Hon. Leighton McCarthy, vice-pres.; Miss S. I. Norton, sec.; E. C. Gill, S. H. Logan, J. L. C. McCarthy, W. M. O'Connor, A. H. Cox, R. A. Laidlaw, F. P. Wood, H. D. Burns, R. A. W. Laidlaw.
	1948	5,388,477	26,168	68,000	2,500,000	...	237,714	9.51	8.00	320,477	2,500,000	
CREDIT-FONCIER FRANCO-CANADIEN	1949	52,928,343	44,066,092	30,215,878	9,647,667	500 frs.	729,885	†6.93	♦	‡1,103,456	▪10,961,342	Comte Cahen D'Anvers, pres.; Hon. E. L. Patenaude, vice-pres.; R. de Roumefort, gen. mgr.; Marcel Pasquin, Armand Chevalier, asst. gen. mgrs.; J. de Lavergne, sec.; André Debray, E. Fouret, Hon. L. M. Gouin, J. T. Leclerc, O. Moreau-Néret, Maurice Stern, Arthur Surveyer, Pierre Vinson.
*French francs; exchange per 100 francs, $0.32.	1948	52,086,893	39,910,648	30,470,184	9,647,667	...	764,806	†7.27	*1,725 frs.	‡1,135,002	▪10,835,040	
▪Incl. statutory reserve of $2,008,009 in 1949, $1,969,768 in 1948. ‡Before current year's dividends and statutory reserve. †After 5% statutory reserve. ♦Not shown.												
EASTERN CANADA SAVINGS & LOAN	1949	13,911,205	13,159,335	12,040,748	1,000,000	100	133,939	13.39	‡7.00	58,182	750,000	D. R. Turnbull, pres.; C. A. B. Bullock, vice-pres.; G. W. Hazen, mgr.; F. A. Milne, sec. and asst. mgr.; L. V. Smith, H. P. Connor.
‡Including special dividend of $1 pd. Feb. 1, following year.	1948	12,158,192	11,516,689	10,345,866	1,000,000	...	138,610	13.86	‡7.00	51,600	710,000	
EMPIRE LOAN	1949	523,580	439,343	4,797	†491,360	†80	913	0.15	nil	†27,423	......	R. W. Rutherford, pres.; K. A. Powell, vice-pres.; C. S. McDonald, mgr.; T. R. Slagsvol, sec.-treas.; R. M. Rutherford, J. M. Hunt, W. T. Powell, C. M. Simpson.
▪Deficit. †Par value of capital stock reduced in 1949 from $100 to $80 per share, and resulting capital surplus applied to elimination of deficit.	1948	524,844	437,039	6,440	638,555	100	7,277	1.14	nil	▪120,930	......	
FIDELITY TRUST	1949	356,472	106,339	2,982	387,575	25	14,146	0.91	nil	▪34,085	......	R. W. Rutherford, pres.; C. S. McDonald, mgr.; K. A. Powell, vice-pres.; T. R. Slagsvol, sec.-treas.; Keith Werner, W. T. Powell, J. M. Hunt, C. M. Simpson.
▪Deficit.	1948	369,913	131,453	33,869	387,575	...	6,022	0.39	nil	▪51,531	......	
GUELPH & ONT. INVEST. & SAVINGS	1948	6,589,107	3,766,249	5,066,114	965,200	50	90,312	4.68	2.50	38,358	519,435	
Purchased Nov. 22, 1949, by The Huron & Erie Mortgage Corp. for $2,273,046, shareholders receiving $117.75 per share.												
HURON & ERIE MORTGAGE	‡1949	57,209,473	32,017,990	49,836,225	5,000,000	100	363,696	7.27	5.00	73,248	2,300,000	Col. Ibbotson Leonard, chm.; Morley Aylsworth, pres. & gen. mgr.; J. W. Hobbs, vice-pres.; D. McEachern, asst. gen. mgr. & sec.; R. P. Baker, asst. gen. mgr. & invest. exec.; F. P. Dawson, J. E. McConnell, J. J. McHale, E. A. Wilson, V. P. Cronyn, Maj.-Gen. A. C. Spencer, Hon. Ray Lawson.
‡Including Guelph & Ontario Investment & Savings Society acquired Nov. 22, 1949.	1948	52,041,569	23,027,438	44,782,017	5,000,000	...	339,526	6.79	5.00	59,552	2,200,000	
LA CIE. FONCIERE DE MAN.	1949	677,634	149,735	44,473	600,000	75	24,709	3.09	‡2.50	33,161	......	M. J. A. M. de la Giclais, pres.; Thos. Turnbull, vice-pres.; P. A. Talbot, sec.; E. Chevrier, Henri Motte, J. E. Guertin, D. Bryson, Y. de la Giclais.
‡Paid in following year.	1948	669,327	155,918	41,952	600,000	...	21,787	2.72	‡2.25	27,375	......	
LA SOCIETE DE PRETS ET PLACEMENT	1949	1,347,738	1,307,822	95,455	800,000	100	43,450	5.43	6.00	43,511	*405,195	J. A. Grenier, pres.; Yves Montreuil, vice-pres.; L. P. Dionne, sec.-treas. & gen. mgr.; Dr. J. E. Fortier, Eugene Barry.
*Including $253,750 premium on sale of capital stock.	1948	1,370,019	1,276,220	132,667	800,000	...	45,978	5.75	5.00	40,113	*385,451	
LAMBTON LOAN & INVESTMENT	1949	6,019,784	2,997,772	4,305,772	789,750	50	78,728	4.98	4.00	74,262	850,000	C. H. Belton, pres.; J. A. Smith, vice-pres.; G. C. Norsworthy, mgr.; S. A. Hyde, sec.; W. A. Donohue, William Guthrie, W. H. Kenny, Eugene King, H. M. Taylor, Harry Wilson.
	1948	5,770,586	2,905,005	4,072,123	789,750	...	78,192	4.95	4.00	118,963	789,750	
MIDLAND LOAN & SAVINGS	Purchased Jan. 2, 1948, by Canada Permanent Mortgage Corp. for $1,062,000 or $29.50 per sh.											
NORTHERN CANADIAN MORTGAGE	*1950	536,913	38,095	33,672	‡305,998	†25	22,577	†*1.84	†*1.50	154,006	......	G. W. Northwood, pres.; T. L. Hartley, vice-pres.; W. A. McKean, sec.; A. L. Denison, E. G. Cass.
*Year ended Mar. 31. ‡Comprising 12,[illegible] Fully pd. and 23 partly pd. 6% cum. red. pref. shs. and 13,618 n.p.v. com. shs. †Pref. only.	*1949	478,990	57,792	19,915	‡305,990	...	17,368	†*1.42	†*1.50	109,848	......	
*Incl. payments June 1 and July 1 following fiscal year.												
N. S. SAVINGS, LOAN & BLDG. SOC.	1949	7,921,467	7,395,089	6,040,820	†1,277,532	240	102,127	†	‡	*53,115	550,000	A. B. Wiswell, pres.; Walter Mitchell, vice-pres.; F. A. Lane, sec.-treas. & mgr.; G. R. Guy, asst. mgr.; W. deW. Barss, Donald McInnes, E. McN. Grant.
‡Capital stock comprises 6% and 5% cum., red. shs.; total of $62,802 credited to shareholders' accountin 1949, $63,355 in 1948.	1948	6,938,736	6,455,935	5,111,101	†1,263,844	...	105,821	†	‡	*63,791	500,000	
*Including refundable EPT of $14,543 in 1949, $31,181 in 1948.												
ONTARIO LOAN & DEBENTURE	1949	28,731,240	20,507,008	23,696,045	2,250,000	50	249,625	5.55	5.00	135,195	2,650,000	Archibald McPherson, pres.; T. H. Main, vice-pres. and exec. dir.; F. E. A. McKellar, mgr.; A. J. Nopper and E. W. Carpenter, asst. mgrs.; J. McC. Gunn, O. R. Moore, J. B. Orr, A. H. Jeffery.
	1948	25,246,059	17,368,386	20,235,489	2,250,000	...	246,351	5.47	5.00	110,570	2,650,000	
SASKATCHEWAN LOAN & INVEST.	1949	463,714	138,529	321	361,712	50	12,483	1.77	†2.00	61,680	40,000	N. J. Bellamy, pres.; A. T. Wilson, vice-pres.; C. D. Grayson, sec.-treas.; G. K. Grayson, Wm. Hillson, J. C. Poyser, A. R. McIntyre.
†Paid Apr. 1, following year.	1948	478,390	156,577	13,242	361,712	...	23,902	3.39	†2.00	63,436	40,000	
TORONTO MORTGAGE	1949	4,302,065	3,299,944	1,981,409	986,500	50	100,440	5.09	5.50	154,156	1,200,000	G. B. Strathy, pres.; G. D. Kirkpatrick, vice-pres.; C. J. Pettit, mgr.; O. G. Benton, treas.; Hon. G. S. Henry, E. V. Chambers, G. Y. Ormsby, W. B. Cowan.
	1948	4,240,292	3,170,353	1,916,678	986,500	...	100,481	5.09	5.00	137,114	1,200,000	
WESTERN HOMES	1949	883,965	816,756	17,518	675,936	35	28,183	1.46	1.05	190,511	......	Willis Argue, pres. and man. dir.; B. C. Parker, vice-pres.; R. C. Duncan, sec.; H. D. Bears, F. S. Ballentine, Harvey Argue.
	1948	948,595	874,826	88,683	675,161	...	26,290	1.36	1.05	184,750	......	
YARMOUTH BUILDING & LOAN SOC.	1949	505,537	503,415	237,469	171,672	100	10,747	6.26	6.00	20,396	76,000	M. S. Clarke, pres.; W. D. Piercey, vice-pres.; D. G. Grant, man. dir.; A. L. MacCalder, sec.-treas.; R. W. Elliott, A. N. Jones.
	1948	437,620	434,301	171,823	171,672	...	11,622	6.77	5.00	18,124	76,000	

•Including current liabilities.

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TRADERS FINANCE CORP.: An additional $190,500 4% debentures have been converted into 9,525 class "A" common, making a total conversion to date of $1,458,000 debentures into 72,900 class "A" common shares. There are now 183,072 class "A" common shares outstanding.

Spending by Governments Leading to Inflation?

Mortgage & Investments Group Give Warning in Annual Report

Dominion Mortgage & Investments Association, which represents 16 trust companies, 11 loan companies and 26 insurance companies, in its annual report emphasized that the trend for governments is toward higher debt and increased taxation. It also commented on the implications of Finance Minister Abbott's budget speech and present spending trends of provincial and municipal governments. Here is what the Association said:

The current trend in public finance in Canada, Dominion, provincial and municipal is not one about which Canadians should be very happy. The long-term prospects seem to offer little more than a heavier burden of Government debt, increased taxes and further inflation.

Most students of public affairs agree that the Government of Canada in the postwar period has done a much better job of fiscal management than most countries of the world. Certainly, its financial policy has been much sounder than that of most countries. Not only has the budget of the Dominion Government been balanced in each of the past four years, but its net debt has been reduced by $1,656 millions. This is a commendable record but it is not good enough.

Budget surpluses and reductions in debt might be said to be a reserve against possible difficult times in the future and our trouble is that we have not been putting enough into the reserve. The revenue yield from the tax system will drop drastically if national income declines only moderately, and this, combined with large public works expenditures, could easily wipe out the budget surpluses of the past three years within a much shorter period. Such a development would push the Dominion Government's debt to a new peak and add to the danger of further inflation over the long term.

Hon. D. C. Abbott in his recent budget speech stated that "we must have a tax system that will at least balance the budget in good years . . .; for otherwise we should slide quickly into inflation at such times and pile up our national debt more quickly than we add to the economic and financial capacity of the nation to carry it." That appears to be an understatement of the situation. We will have to do more in good years than "at least balance the budget" or we are sure to have inflation.

Budget Prospect Not Happy

With the burden of taxation weighing heavily on Canadians, the budget did not hold out a very happy prospect. Hon. Mr. Abbott expressed the view that the present level of taxes will have to continue indefinitely and that Government expenditures cannot be reduced from present levels. With total expenditures of the Dominion running at about six times the prewar level, it is difficult to accept the statement that substantial cuts cannot be made if there is a real desire to economize.

In view of the pressures developing in some quarters for increased welfare services, Mr. Abbott's warning that further major increases of a continuing nature must be balanced with increased taxes was timely. He pointed out that there is no prospective surplus from which new programs of expenditures can be met. A year ago, in reducing income taxes, he stated that the public apparently would not tolerate the level of income taxes then existing. It is apparent, therefore, that Canadians cannot have more in the way of welfare services unless the physical volume of gross national production is increased.

Every Canadian needs to consider carefully the implications of Mr. Abbott's statement that "we can afford some modest increases in expenditures from year to year, or alternately modest reductions in taxation, as our productivity and national income grow, but this dividend of progress is gradual and modest in size in relation to the ambitious plans that are so much in the air these days." For the Government to embark on large-scale welfare programs at this time would endanger Canada's economic prosperity.

Most of the Provincial Governments need to read Mr. Abbott's budget speech with care. Expenditures and debts of most provinces continued their upward climb. Few Provincial Governments are giving much thought to the future. They are spending money as if they expect present revenues will continue indefinitely. Total current expenditures by the provinces in 1949 exceed $700 millions as compared with $604 millions in 1948 and $265 millions in 1940. Continuance of the present trend can only result in increased taxes. In some provinces, the increased taxation has already arrived.

Provincial Needs Up

When the Dominion-Provincial Tax Agreements were made in 1947, it was felt that the signing provinces would have sufficient revenues to meet all their needs for some years. Two years ago British Columbia was forced to introduce a sales tax, Saskatchewan's sales tax has gone up from 2% to 3%, and New Brunswick's 4% tax is to go into effect this year. The people of these provinces should now appreciate that increased government spending always results in higher taxation.

The Dominion-Provincial Tax Agreements expire in 1952 and the question of renewal is coming up for consideration at the Dominion-Provincial conference scheduled for this coming autumn. Already, British Columbia has given notice that it intends to seek a large increase in its compensation for staying out of the succession duty and income tax fields.

No doubt other provinces will support British Columbia's stand. Any Government likes to have money to spend especially if it does not have to be responsible for collecting it. A substantial increase in the compensatory payments should be resisted. The price of freedom of action by the Dominion and the succession duty and income tax fields can be too high.

Municipal Burden Increasing

The continued upward surge in municipal expenditures and tax rates is disturbing to say the least. Hardly a week goes by that voices are not raised in warning about the increasing burden of taxation on real estate, but very little of a concrete nature is being done about it.

One reason for this is that there is little or no evidence that municipal taxes are burdensome at the present time. Rents, like other prices, have gone up, and as a result real estate is well able to pay higher taxes. The danger lies in the future—if and when national income drops. If municipal tax rates are pushed too high in times like the present, they are bound to prove too heavy a load in less prosperous times.

Municipal authorities in all parts of the country have been concerned about the housing problem and have been active in urging the Dominion and Provincial Governments to provide low cost housing. They seem, however, to have overlooked the fact that municipal taxes are an important item in the cost of home ownership and that the rise in real estate taxes is increasing this cost substantially. As yet, there is no indication that high real estate tax payments are having any material effect on the decisions of families to acquire a home of their own. They have and are having an effect on decisions to buy and build rental housing. With everything pointing to higher real estate taxes, the time can conceivably come when they will exercise an obvious adverse effect on decisions to invest in owner-occupied real estate.

Mention has already been made that little effort is being made by municipal bodies to hold expenditures in check. Even more disturbing is the fact that the municipalities, though they are doing little to practice economy, are looking to someone else to help them pay the bills caused by their extravagance. From the Atlantic to the Pacific one hears the cry from municipal politicians that the senior governments — Dominion and Provincial — must assume the cost of certain municipal services in order to ease the financial problems of the municipalities.

Provincial - Municipal fiscal relationships are far from perfect and probably need to be rearranged. In the light of the experience of recent years it is doubtful if a mere assumption of certain municipal costs by the provinces is a sound solution. The result will be merely an increase in the over-all cost of government services. Anything the municipalities save by shifting certain services or costs to the provinces will be spent in other directions as long as the present spending mood persists.

The extent of the increase of provincial assistance to municipalities over the past 10 years is not fully appreciated. General subsidies and specific grants by the provinces to the municipalities have doubled, amounting to $131 millions in 1949 as compared with $65.2 millions in 1939. Moreover, about half of the provincial assistance in 1939 was in the form of grants for unemployment relief, a service which is now of minor proportions.

Even these figures do not indicate the full extent of provincial aid. A great deal of assistance has been given by way of the assumption by the provinces of the entire cost of certain services previously borne wholly or partially by the municipalities. Much of the provincial help was for the purpose of easing the burden of taxation on real estate. Everyone knows that real estate taxes have gone up instead of down. All that can be said for the increased provincial grants is that without them real estate taxes would be considerably higher. On the other hand, gross municipal expenditures might be lower since the municipalities would have been forced to economize.

The most expensive municipal service is education, and its cost has shown the largest increase both relatively and absolutely. Gross expenditures of municipal school bodies have more than doubled over the past 10 years. Last year they amounted to $247 millions as compared with $100 millions in 1939 and $75 millions of the increase was paid by the provincial governments rather than by the municipal taxpayer.

Net municipal debt rose in 1949 by about $90 millions, the largest increase in many years, and now stands at $1,025 millions. This is the third successive year in which an increase has been recorded, municipal debt having declined in each of the previous 10 years. The debt figure is now about the same level as it was in 1942 but further sharp increases are in the offing, especially if the municipalities proceed with all the plans they have on the drawing boards. Because municipal debt is not as large as previously and because it bears a lower rate of interest, there is a tendency to assume that municipal debt can be expanded considerably without adversely affecting municipal credit. One must keep in mind that every increase in debt means an increase in taxes. While the tax income of municipalities is larger, most of the income is earmarked for other purposes. Under existing conditions, a smaller volume of debt can become just as burdensome as was a larger volume in years gone by. For this reason municipalities should proceed with caution in the matter of capital outlays involving an increase in debt.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

HUSKY OIL & REFINING LTD. reports a sharp increase in net profit in 1949 to $592,444 or 54c a share. This compares with 20c a share in 1948, but includes a $706,023 profit on sales of leases and reservations.

Sales of finished products for 1949 totaled 34,742,056 gallons. The Lloydminster refinery processed over three quarters of a million bbl. of crude oil. Net interest in production from wells wholly or jointly owned amounted to 67,525 bbl.

During the year, arrangements were made with Phillips Petroleum Co. and Empire Trust Co. of New York to start a five-year exploration program on Husky's large undeveloped acreage. Husky retains a 25% interest without further cash outlay obligations until completion of each exploratory well. At Dec. 31, 1949 the company had an interest in 4,727,780 acres of leases and reservations.

During the year, Husky participated in 10 wells, three of which were successful in locating favorable black oil occurrences in new areas, one completed as a light oil producer and one as a gas producer (when market available).

INCOME ACCOUNT

Years Ended Dec. 1:	1949	1948
Gross profit	$2,403,788	$630,779
Less: Oper. exp.	2,261,389	283,108
Net earnings	142,399	347,671
Less: Depr.	......	108,212
Deplet.	22,026	9,664
Interest	85,144	40,261
Invent. res.	43,434	......
Bad debts w/o	15,254	......
Undev. lease exp. w/o	101,086	12,763
Drilling exp.	......	67,868
Other charges	6,128	......
Add: Pr., sale of leases, etc.	706,023	......
Misc. inc.	17,094	104,215
Net profit & surp.	592,444	213,118
Earned per Share*	$0.54	$0.20

None paid.

*Based on present outstanding capitalization.

CONDENSED BALANCE SHEET

As at:	Dec. 31 1949	Mar. 31 1949■
Cash & Dom. bds.	$723,220	$908,059
Accts., etc., rec.	1,050,594	680,569
Inventories	385,641	611,432
Total curr. assets	2,159,455	2,200,060
Prep. exp.§	43,961	39,124
Invests., etc.	1,094,270	640,486
Fixed assets*	1,675,518	1,197,092
Total assets	4,973,204	4,076,762
Total curr. liabs.	621,664	447,125
Long-term debt	2,264,734	2,250,000
Def. income	187,245	......
Res. for explor.	706,022	......
Capital stock	1,090,846	1,090,846
Capital surplus	2,057	60,000
Earned surplus	100,636	228,791
*After deprec. of	145,396	162,739

§Incl. in curr. assets in co's report.

■Pro forma, after giving effect to sale of $2,250,000 5½% conv. s.f. bds. and 90,000 shs. stock; retirement of bank loans, etc., aggregating $1,191,676; issue of 185,000 shs. to Husky Ref. Co., U.S.A.

Working capital	1,537,791	1,752,935

EMPIRE LOAN CO., Winnipeg, Man., net profit for 1949 amounted to $913, against $7,277 in 1948.

At Dec. 31, 1949, mortgages and sales agreements totaled $133,898 ($118,301 at the end of 1948), real estate $320,648 ($336,341) and liquid assets $69,021 ($70,185).

	1949	1948
Liabs. to public, etc.*	$4,797	$6,440
Forfeited shares	......	779
Shareholders' equity	518,783	517,625
*Secured by:		
Mtge. & sls. agree.	133,898	118,301
Real estate	320,648	336,341
Office furniture	13	17
Liquid assets†	69,021	70,185
Total	523,580	524,844

†Includes bonds and stocks and office premises.

Net profit	913	7,277
Earned per share‡	$0.15	$1.14

No dividend payments.

‡Based on paid-up capital.

ONE HUNDRED AND SIXTH ANNUAL REPORT
OF
THE LAMBTON LOAN AND INVESTMENT COMPANY
SHOWS

Authorized Capital - - $1,000,000.00
Issued and Fully Paid - $ 789,750.00
Reserves - - - - - $ 850,000.00
Total Assets - - - - $6,019,783.61

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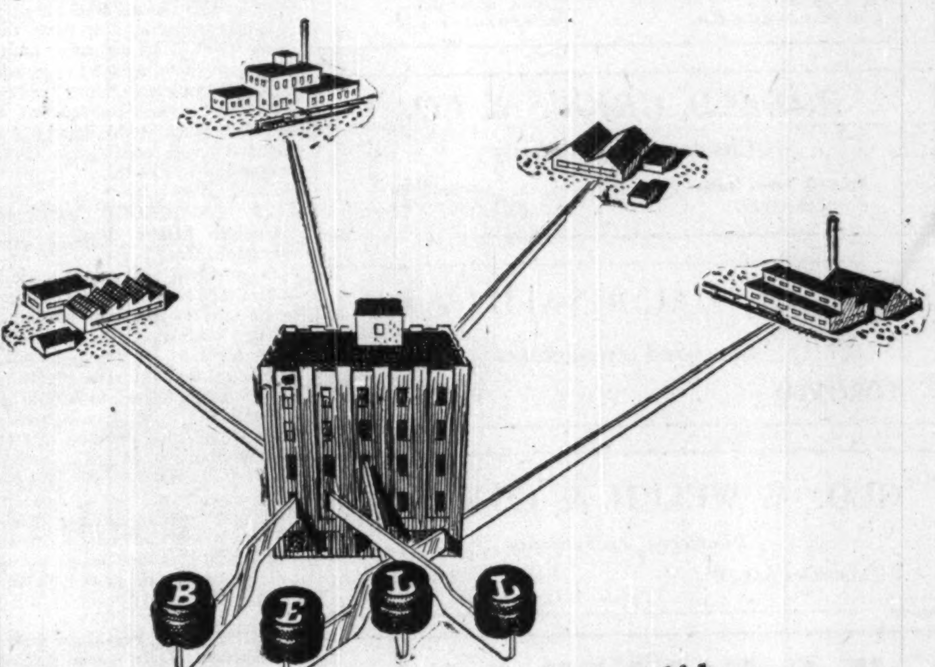

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House Prices to Go Up or Down?

The Question: How much change in the general level of the price of houses do you predict for your area 12 months hence?

Majority of respondents answering this week's Financial Post question see little change occurring in house prices for the coming year. Any changes will more likely be up than down, it is believed.

Opinion varies in different parts of the country. In the western provinces, for instance, crop conditions weigh the balance. In Winnipeg, changes may occur due to flood conditions. Prices of houses and buildings in low land may go down, those on high land go up.

Respondents point to other factors, too. One sees the hard-won costs stability of last year menaced by new labor demands. Offsetting this is the contention that labor is now producing more and putting more workmanship into their jobs.

On the materials side of the picture, it is thought more competition among manufacturers may serve to keep prices from rising.

P. C. ARMSTRONG, Economic Consultant, Montreal.

Forecasts as to prices of any sort are dangerous at present. It is impossible to be certain as to government fiscal policy affecting the total money supply and just as impossible to know the trend of public psychology which will determine the rate of turnover of money supply. Both these factors have shown some signs of stability recently and assuming no major change in either I should expect the price level of housing units of medium size and value to remain fairly constant for the next 12 months with a slight upward trend.

* * *

HUBERT BADANAI, Mayor, Fort William, Ontario

Anyone prognosticating housing prices a year from today would obviously be endeavoring to make a good guess. Housing costs at the Head of the Lakes are a little higher than last year due to freight increases and slightly higher wages for some trades. Improved efficiency may have offset some of these increases but I would not anticipate any downward revision in costs 12 months from now.

* * *

A. W. S. BENNETT, Manager, Greater Niagara Chamber of Commerce, Niagara Falls

Residental property of Niagara Falls, Stamford Township and Chippewa Village (Greater Niagara) will probably advance slightly due to increasing cost of labor and material. Current local housing deficiency should maintain the high level in value of older properties. Recent extensive industrial expansion and the forthcoming tremendous Niagara River hydro power development tend to support present and higher prices.

* * *

C. L. BROWN, President Calgary House Builders Association, Calgary

Little change in house prices. Construction costs up due to wage and freight increases, absorbed in more efficient construction methods. Oil development maintaining substantial demand. Otherwise, believe there will be a marked drop in demand. Lack of serviced land will have an effect on continued high rate of construction later on this season. Short supply of some material will have the same effect. NHA and price housing causes leveling off in old and newly completed house prices. At present highest construction in history. Much will depend on western crop conditions as to demand in 12 months.

* * *

J. J. CARTLEDGE, Manager, Guelph Elastic Hosiery Co., Guelph, Ont.

A survey of real estate dealers in this area shows general opinion to be that twelve months hence modern houses will hold present price level or be down possibly 10% due to contractors getting more production per man hour.

Small and medium size houses are still in good demand due to rent advances and rental houses are very scarce.

A house 20 or 25 years old in small and medium size will probably be priced downward fifteen to 20% and the older, larger house will probably be priced downwardly 30 to 40%.

* * *

R. DRUMMOND, President, A. W. Robertson Ltd., Toronto and President, Canadian Construction Association

The demands of labor are the key to housing costs, since labor, in one form or another, is the major cost factor. The industry is alarmed that the hard-won cost stability of last year is now being shaken. With competition keen, profits down and management efficiency at a high level, it is inevitable that housing costs will rise in proportion to the success of labor's demands in the producing plants, on the railways and at the job site. Research, new products and new techniques will ultimately achieve costs savings, but the outlook for the coming year, without increased worker productivity, is for housing prices directly related to labor costs. In any event, improved material quality and workers' skills will give the purchaser the best dollar value since war's end.

* * *

A. J. HAZELGROVE, Hazelgrove & Mills, Architects, Ottawa

I consider the only factor likely to affect the general level of the prices of new houses is increasing buyer resistance to acquiring shelter at any price. Buyers are now demanding quality commensurate with high price. On the construction side, net cost is unlikely to decline while material and labor prices increase or remain static and while uncontrollable but necessary increases such as freight rates add to overhead without adding any visible value to building. It would be interesting to know how much sales tax and the general tax situation adds to the cost of building.

* * *

F. O. HODGSON, President, Hodgson Lumber Co., Vancouver.

Despite the fact that lots are costing more, that lumber is much higher and that labor will be higher, I believe pressure from buyers will keep house prices at close to their present levels, offsetting higher costs. The builder is getting better results from his labor and is going to have to take a lower profit in order to keep his houses moving.

* * *

GORDON E. KONANTZ, President, North American Lumber and Supply Co., Winnipeg

While over 80% of the homes in greater Winnipeg are not directly damaged by flood, value of existing houses will judged by location. Values in danger areas will be reduced tremendously until flood control of the Red River is assured by adequate action of the Canadian and United States Governments. I believe values of safe areas will remain at present levels or possibly appreciate due to insistent demand. Winnipeg is witnessing an inspiring community effort. Everyone is pitching in to help.

* * *

KEITH LAIRD, K.C., Member of Legal Firm, Martin, Laird, Easton and Cowan, Windsor.

My opinion is that the general level of house prices in the Windsor area will be approximately the same 12 months hence. On the demand side of the picture, hundreds of families here are still searching for a permanent home. It is true that through the efforts of both private individuals and firms and government agencies literally thousands of new homes have been built in this area since the war. However, the population of the metropolitan Windsor area has probably increased by 25% in the last 10 years. As a result I can see no cessation of this demand for a much longer period than twelve months from now.

It is true that there is continuing pressure for wage increases from the building trades and supply industries. On the face of it, this might appear likely to force up building costs to a point where house prices in general would increase. However, on the other side of the picture there appears to be a more competitive position in the building supplies industries, with no apparent evidence of the existence of any informal cartel which would have the effect of artificially maintaining prices. Therefore, the increase in building costs for private dwellings may not be as great as feared by some. In any event, I do not think such costs will rise sufficiently to drag along with them to a higher level the prices of existing dwellings in this area.

* * *

S. N. MACEACHERN, Commissioner, Saskatoon Board of Trade.

Prices of houses will vary little in 12 months from what they are now. Certainly new houses will not cost any less to build as materials and labor costs show no downward trend. The demand for houses will likely be just as great in 12 months as it is now with sales being somewhat retarded by the inability of purchasers to make the necessary cash payments to take care of the owner's equity. Owners anxious to sell may have to take less cash in order to make a sale because of this older type of house may be selling at a lower level.

VICTOR PAUL

has been appointed industrial commissioner, Victoriaville, Que.

* * *

F. W. MAGER, President of National Housebuilders Association, Winnipeg.

Within the next 12 months I expect to see a $500 to $600 raise in the cost of the average price house around $7,800 due to labor building materials and land costs going up.

* * *

W. C. McGOLPIN, President, Brick and Tile Manufacturers' Association, Toronto.

As far as brick and tile prices affect the cost of house building, we expect very little change over the next 12 months. That is, so long as the three critical factors in our manufacturing costs remain unchanged—coal, labor and freight rates. Production in our industry is becoming more consistent and we are encountering far fewer delays in supplying our customers.

* * *

DAN McIVOR, Member of Parliament for Fort William

The prices of houses in Fort William is not likely to be lower because unemployment has much improved with the opening of navigation and elevator work; also the demand for about six hundred homes from Central Mortgage and Housing; also because of much construction work going on this summer at the Lakehead shows that the population will increase rather than decrease. Another reason is that weddings have been increasing at the Lakehead because our young folks are now able to support a home.

* * *

G. N. MENZIES, Mayor, Regina, Sask.

The general feeling in Regina is that because of more acute housing shortage, real estate prices have retained their inflationary level longer than in other centres. It is generally felt prices have now reached peak and in the next 12 months might be expected to decline somewhat. A great deal will of course depend on 1950 grain crop in surrounding district.

* * *

C. B. K. VAN NORMAN, Architect, Vancouver.

I do not predict change in the general level of house prices within the next 12 months. Building costs usually advance slightly at this time of year but with the considerable amount of work ahead in the construction industry I cannot see a lowering of prices due to this volume of work. If, however, building codes took advantage of some of the progressive techniques that have been developed by those architects interested in low cost houses then considerable savings could be made over conventional types of construction with better results.

* * *

R. SCHULTZ, Secretary, Weyburn, Sask., Chamber of Commerce.

I would conclude about 5% of present prices have reached a top level and building has slackened due to out-of-this-world prices. I also predict that they will continue for another year providing crop conditions remain the same.

* * *

H. G. STEVENS, Real Estate Officer, The Eastern Trust Co., Halifax, N.S.

Luxury houses—There will probably be a reduction in sale prices of this type of housing with a greater supply available. Medium priced houses—these prices will probably remain constant owing to strong demand and probable increase in cost of building material and/or labor. Low cost houses— steady demand and probable increase of building costs will support present day prices.

* * *

STAN E. STOREY, Architect, Regina, Sask.

I do not anticipate any reduction in building costs on account of probable increases in labor and increased freight rates resulting in higher material costs. Cost of living index will govern wages. Workmen's compensation, holiday pay, income tax deductions, etc., will probably remain stationary. Unless more economical construction can be designed cost for next year will probably be not less than 7% higher as was the case last year.

* * *

H. B. BURGOYNE, Publisher, St. Catharines Standard.

Little hope is held out in St. Catharines for any lowering of house prices here during the next year, although any change, when it comes, is expected to be downward. There is considerable building activity particularly in new subdivisions to the north of the city and several hundred new homes are expected to be erected during the coming season. But with the rise in the cost of materials and labor, there is little prospect of any drop in the price of homes in the near future, unless a serious business recession depresses the price of existing homes below present cost of construction.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

ECONOMIC INVESTMENT TRUST LTD. net profit for the year ended March 31, 1950 was $164,712, up 12.2% from the previous year.

Chairman L. C. McCloskey states that although income has been cut by the reduced rate of return from bonds and preference shares, it has been increased by premiums realized on bond and preference share redemptions brought into income owing to Income Tax regulations. Also, in 1949 and especially in 1950, substantial amounts of arrears of dividends on preference shares were received.

Net asset value per share, based on quotations of listed shares and securities at the fiscal year-end, was approximately $71, against $64 at the same date last year.

At March 31, investments were divided: 58.11% ordinary and common shares, 15.42% preference shares and stocks, 23.02% bonds and debentures and 3.45% cash. A total of 94.19% of the investments were in Canada.

INCOME ACCOUNT

Years Ended Mar. 31:	1950	1949
Net income	$197,964	$180,384
Less: Bond int.	30,000	30,000
Inc. tax res.	3,252	3,607
Net profit	164,712	146,777
Less: Dividends	150,000	140,000
Surplus for year	14,712	6,777
Times Bond Int. Earn.	6.60	6.01
Earnings per Share and Dividend Record:		
Common: Earned	$4.12	$3.67
Paid	2.00+1.75	2.00+1.50*

*Paid in following fiscal year.

CONDENSED BALANCE SHEET

As at Mar. 31:	1950	1949
Cash	$132,553	$3,815
Accts. rec.	77	1,543
Secs., less res.▲	2,716,062	2,934,215
Total assets	2,848,692	2,939,573
Accts. & tax. pay.	12,838	10,432
Divd. pay.	......	48,000
Bond int. accr.	7,500	7,500
Total curr. liab.	20,338	65,932
Funded debt	1,000,000	1,000,000
General reserve	150,000	125,000
Special invest. res.	559,579	559,579
Capital stock	1,000,000	1,000,000
Surplus	118,775	189,062
▲Market value	3,723,000	3,616,000

REITMAN'S (CANADA) LTD. reports a consolidated net profit for the year ended Jan. 31, 1950 of $242,637, against $205,655 in 1948. Date of fiscal year-end has been changed to Jan. 31. Sales volume for the period was up 27%.

Two new units in Montreal were remodeled and enlarged in 1949 and new stores were opened in Hamilton, Sarnia, Kitchener and Windsor. Present plans for 1950 include two new stores in Toronto, one of which has already been opened with the other slated for about November.

President Louis Reitman notes that all expansion progress to date has been financed without recourse to senior financing and states that intentions are to continue this policy.

CONSOL. INCOME ACCOUNT

Years Ended:	Jan. 31 1950	Dec. 31 1948
Operating profit	$491,625	$403,874
Less: Deprec.	87,387	74,888
Income tax	161,601	123,331
Net profit	242,637	205,655
Less: Pref. divds.	17,125	19,437
Surplus for year	225,512	186,218
Earnings per Share and Dividend Record:		
Pref.: Earned	$14.27	$11.43
Paid	1.00	1.00
Common	3.76	3.10

CONDENSED CONS. BALANCE SHEET

	Jan. 31	Dec. 31
Cash	$560,581	$503,405
Accts. rec.	28,236	26,562
Inventories	478,970	371,542
Total curr. assets	1,067,787	901,509
Misc. assets	29,881	50,167
Fixed assets†	439,168	331,200
Total assets	1,536,836	1,282,876
Accts., etc., pay.	556,319	518,951
Taxes pay.	110,004	95,084
Total curr. liab.	666,323	614,035
Insur. res.	4,510	1,106
Capital stock	342,172	362,172
Capital surplus	5,258	10,489
Surplus	518,573	295,074
†After depr. of	338,304	246,320
Working capital	401,464	287,474

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INVESTMENTS

Stedman Bros.

Please give me some information on Stedman Bros. Ltd. and its common stock?

Stedman Bros. Ltd. common stock is currently selling around $17¾ a share where it would yield about 4.50% on the basis of its current annual 80c dividend rate. The stock has sold at a 1950 high price of $17¾ a share and a 1950 low of $16½ a share. In 1949 it ranged in price from a high of $17¼ a share to a low of $13 a share.

Capitalization consists solely of common shares no par value of which there are 500,000 shares authorized and 407,168 shares issued and outstanding.

Earnings per common share have been $2.14 in 1949, $1.96 in 1948, $1.21 in 1947 and $1.21 in 1946. Dividends have been paid on the common at the rate of 80c a year since the payment of 20c a share on April 1, 1949. The previous rate was 60c a share a year which had been paid from July 2, 1946. (On March 30, 1946 shareholders approved a four-for-one split in the formerly outstanding common stock.)

Construction of a new two-story warehouse in Toronto to centralize its administrative and distributing facilities was announced by George H. Stedman, president and managing director last January. Consolidation of the various Stedman warehouses throughout Toronto will effect considerable economy of operations, Mr. Stedman expected.

The new building will cost in excess of $750,000 and is expected to be completed in the early summer. It will have a total area of 124,000 sq. ft. of warehouse—55% larger than the 80,000 sq. ft. warehouse area Stedman Bros. has had since 1940—and there will be ample land facilities for expansion to twice that capacity.

Working capital amounted to $3,107,865 at December 31, 1949, up substantially from $1,743,973 at December 31, 1945. Current assets included cash of $1,167,746 and inventories of $1,867,244.

Stedman Bros. carries on a wholesale and retail variety chain store business with a warehouse in Toronto and operating through direct ownership or through association some 253 stores throughout Canada. Business is conducted with other organizations on a wholesale basis.

Commonwealth Int. Corp.

Will you please give me a brief review of Commonweath International Corp.?

Commonweatlth International Corp. is an investment fund of the "open-end" type. It was started in the early 'thirties.

At the end of February, total net assets, taking investments at quoted market values, amounted to over $7.6 millions. Number of shares outstanding amounted to 2,048,897. Size of the fund has about doubled since the beginning of 1949. Securities of over 70 companies are included in the company's investment portfolio.

Dividends paid in recent years include 19c in 1949, 18c in 1948, 16c in 1947, and except for 1c extra paid in 1937, dividend of 4c per share regularly quarterly since incorporation in 1933. In the company's annual report issued recently, President D. W. Partridge stated that the fund will continue the policy of paying out, as closely as possible, its net income as dividends to shareholders. The company pays an annual fee of one half of 1% of the average daily net assets of the fund for statistical, financial counsel and investment advisory services.

Gordona Mining

For some time I have held shares in Gordona Mining Corp. Could you tell me if the company's property is developing into a mine or if it looks like another "also ran"? I believe the property is in Northern Quebec.

Gordona Mining Corp. holds a property of 1,200 acres in Bearn and Dalquier Twps., northwestern Quebec. We have seen no reports on activity at the company's property since last November when the company was endeavoring to raise funds for further work. At that time, a geophysical survey had been completed along with surface work and three diamond drill holes. An assay of 0.315% copper, 10.80% zinc and 2.50% lead across 6 ft. was reported in surface work but no details have been received of any commercial intersections in diamond drilling. Some sulphides were encountered.

Results reported to date have been by no means outstanding and the company's property is still very much in the prospect class. Last October, the company completed a financing agreement under which an option was extended to Williams & Max on 700,000 shares at prices ranging from 10c to 15c a share. Authorized capital is three million shares of which 1,600,005 shares were reported outstanding earlier this year.

INCOME TAX

Spouses Trade Securities?

In 1949 my wife and I each had an investment income from stocks and bonds but my wife's income is not taxable. In my income tax return, I claimed 10% of my wife's income from stocks as a deduction from my tax. But the income tax department tell me this deduction has been disallowed. Can I file an amended return showing her dividends under my income or can I have her stocks transferred to my name while I transfer bonds with a similar value to her name, without either of us being held liable for gift tax? If neither of these methods is allowed, is there any way I can get the full benefit of the 10% rebate in question? My wife's securities were bought with money which she inherited.

As the income was received in 1949 there does not appear to be any way you can get full benefit of the 10% deduction on account of your wife's dividend income, without placing yourself open to a charge of tax evasion. It would not be permissible to show her dividends in your income while if the value of the securities transferred by either one exceeded $4,000 the donor would be liable for gift tax. In any case you could hardly do this to affect 1949 income. For 1950, of course, your wife could sell her stocks and replace them with bonds and you could sell your bonds and replace them with stocks. This would give you the same joint income but the stock dividends being your own income would entitle you to the 10% deduction.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements. The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies published reports are footnoted.

MERCURY OILS LTD. reports that its producing wells in the Turner Valley brought in revenue of $18,091 in 1949, slightly higher than 1948. Leduc Consolidated Oils, in which the company holds a substantial interest, shows a total value of $84,478 obtained from its one producing well.

A well was drilled on an Imperial Oil farmout during the year, on a 50-50 basis with Leduc Consolidated, but was abandoned.

Vice-President W. J. Maughan states that effort was made to obtain productive acreage within the limits of financial position. Lack of ready cash prevents bidding on Crown Leases put up for sale, but it is felt that acreage may still be acquired by participating with companies on a pro rata basis.

INCOME ACCOUNT

Years Ended Dec. 31:	1949	1948
Prod'n rev. (net)	$14,372	$12,675
Add: Royalties	2,626	4,750
Rental rev., etc.	7,513	12,732
Total revenue	24,510	30,157
Less: Gen. exps.	10,140	11,973
Depreciation	627	2,146
Depletion	4,111	4,139
Drill. cost allow.†	9,632	14,102
Net loss	nil	2,203
†Merc-Mill City well.		
Earned per Share	nil	d$0.0006
None paid.		

BALANCE SHEET

As at Dec. 31:	1949	1948
Cash & govt. bds.	$70,977	$104,754
Accts. rec.	5,820	22,953
Total curr. assets	76,797	127,707
Inv. in other cos.■	515,298	509,316
Wells invest. a/s▲	705,266	633,863
Well casing	4,171	4,359
Misc.	357	1,108
Leases & surf. rts.	1,685,946	1,711,229
Plant & equip.†	4,170	1,797
Total assets	2,992,005	2,989,379
Total curr. liab.	2,625	22,934
Capital stock	3,383,285	3,383,285
Less: Deficit	393,905	416,840
†After depr. of	274,653	274,504
▲After depl. of	488,358	475,133
■After depl. of	18,395	17,877
Working capital	74,172	104,773

JOHN BERTRAM & SONS CO., Dundas, Ont., net profit in 1949 was $259,354 compared with a loss of $127,432 in 1948. Gross operating profits rose to $618,314 from $51,317 but comparison with 1948 loses its value because of suspension of operations during part of that year.

In the early part of 1949, the Bertram works were "extremely busy" completing a carryover of orders from 1948. Present backlog is reduced from 1949. Devaluation of the pound adversely affected sales in the soft currency area but President H. G. Bertram states there is still some export business on the books.

Despite increased competition, Agency Sales business (imported equipment) has improved somewhat since the beginning of 1950. Demand for heavy machine tools and other special machinery, however, has continued its decline started in the last quarter of 1949.

It is proposed to proceed in 1950 with extensive plans for new equipment, despite the clouded outlook.

PROFIT AND LOSS ACCOUNT

Years Ended Dec. 31:	1949	1948
Net earnings	$578,133	$13,879
Less: Deprec.	122,779	141,311
Taxes reserve	196,000	......
Net profit	259,354	*127,432
Less: Cl. A divds.	48,000	48,000
Cl. B divds.	48,000	60,000
Surplus for year	163,354	*235,432
*Loss or deficit.		

Earnings per Share and Dividend Record:

	1949	1948
Class A	$5.40	d$2.65
Paid	1.00	1.00
Class B	0.88	d0.73
Paid	0.20	0.20+0.05

CONDENSED BALANCE SHEET

As at Dec. 31:	1949	1948
Cash	$518,197	$156,305
Invests., cost†	610,107	539,616
Accts. rec.	921,196	761,017
Inventories	1,430,936	1,463,954
Total curr. assets	3,480,436	2,920,892
Misc. assets▲	147,782	312,713
Fixed assets*	620,876	657,568
Total assets	4,249,094	3,891,173
Accts. & tax. pay.	503,867	327,332
Adv. pay'ts rec.	117,274	79,525
Total curr. liab.	621,141	406,877
Capital stock	300,000	300,000
Capital surplus	6,297	6,297
Earned surplus	3,321,656	3,177,999
†Mkt. value	642,345	553,878
*After depr. of	3,618,928	3,595,109
▲Incl. ref. EPT	32,819	102,510
Working capital	2,859,295	2,514,015

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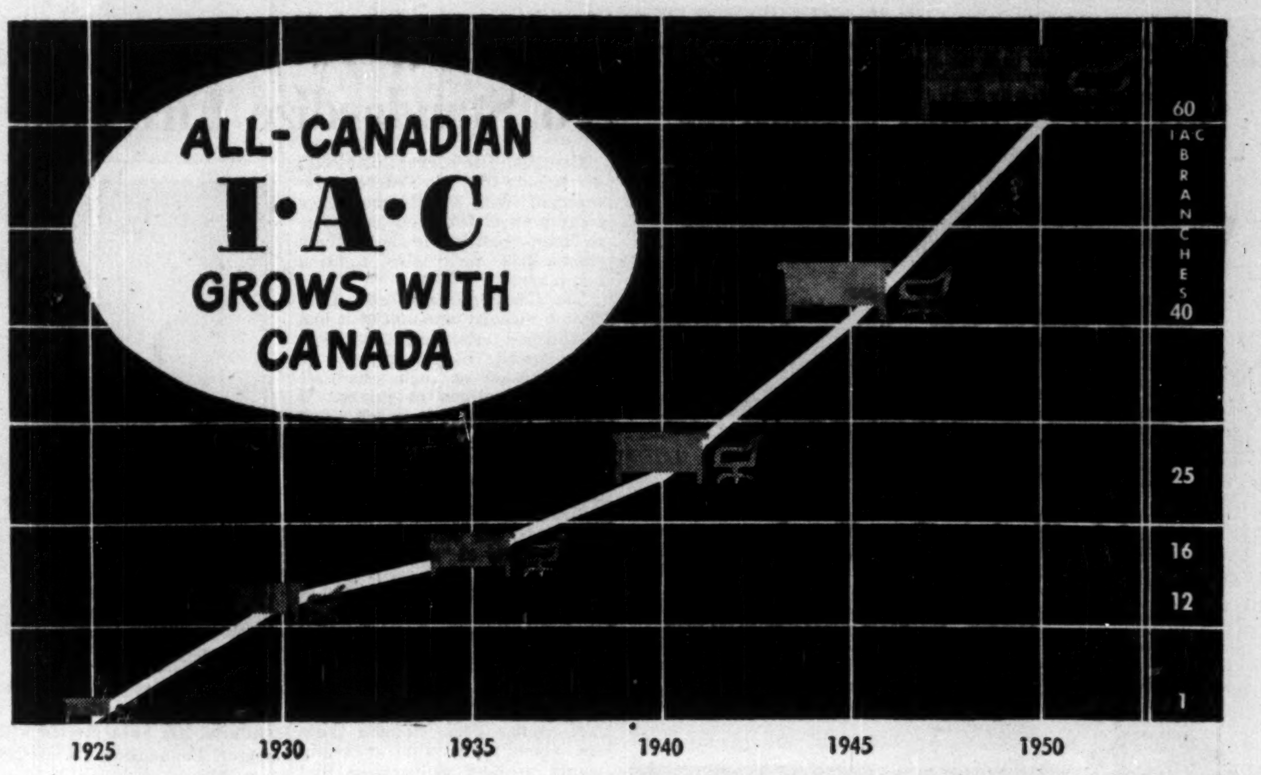

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I.A.C. was founded 25 years ago to finance instalment sales transactions between sellers and buyers. In this quarter century, buying and selling on time, especially at the retail level, have become widely recognized as an integral and all-important factor in the exchange of goods. Mass production methods based on the assurance of mass consumer markets have resulted in high levels of employment and earnings... significant results of the expansion of consumer purchasing power, made possible in part by instalment plan buying.

Canada has achieved industrial greatness in the last quarter century, and all-Canadian I.A.C. has matched its growth with this economic evolution. Today, I.A.C. operates 60 offices from Victoria to St. John's and employs over 700 men and women to maintain its service to Canadian dealers and their customers.

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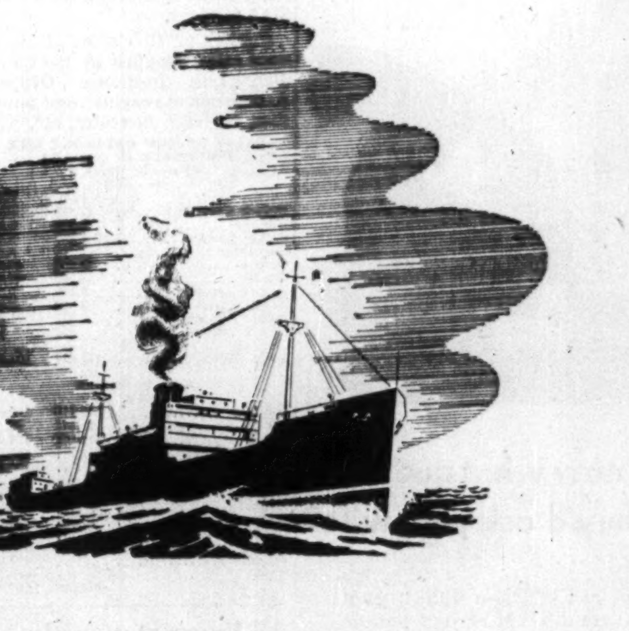

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—*Shakespeare*

The value of our good name has remained with us thru the years.

Our reputation for Fire Prevention Engineering Service is supreme.

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"Brokers exclusively for the Assured"

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Know what questions they'd ask your wife?

IF death robbed your family and left them without your support . . . if your wife were deprived of your present income, can you imagine her next step?

Her "job" has been caring for your home, your family and you, for several years. Now she must look for another kind of job. Her first interview might be like this:

"What are you trained to do?"

"How long is it since you held a job?"

"When your children are sick, have you someone in charge to look after them? Would you have to be absent on their account?"

Could your wife give satisfactory answers? Perhaps she would be told: "We're sorry for you—but after all, we *can* get single girls who can stay on the job . . ."

But you can spare your family this needless shadow on their lives—NOW! Your Norwich Union representative is personally interested in your family's welfare. Let him work out a low-cost program of *adequate insurance* for you.

IT CAN HAPPEN ANYTIME

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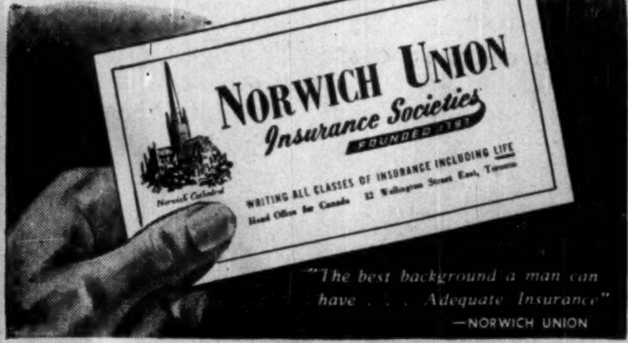
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—NORWICH UNION

Urge Federal Aid To Municipalities To Standardize Fire Hose Couplings

Canadian fire prevention circles are hoping that the Federal Government will shortly announce some plan of financial assistance to municipalities to help them standardize their fire fighting equipment.

The Canadian Standards Association recently announced it had established standard specifications for fire hose couplings. As the adoption of such standards by municipalities at present is purely voluntary, it is felt some sort of financial aid would speed the changeover.

Only about 20% of fire hose couplings at present in use are believed to conform to the new standards, the other 80% showing a variety of "threads" on the fittings.

In Ontario, for example, it has been stated some 394 municipal fire departments use a total of 95 different threads. These may vary in the number of threads per inch, distance from the end, from the washer seats, etc. In fact, it has been claimed there are about eight vital measurements in hose connections that should be standardized. However, the standards adopted now will be of enormous value, it is believed.

The new standards affect both 2½ inch and 1½ inch hose couplings and fittings. Data regarding the new standards is available from the Canadian Standards Association, Ottawa.

A Great Advance

The establishment of the new standards (while actual adoption is as yet purely voluntary) is described by fire prevention officials as one of the greatest advances in fire prevention in recent years and culminates about 50 years work by interested parties.

Because of the importance of standardized equipment in a national emergency, it is believed the federal government would probably be ready to give financial assistance. In many cases it is believed the changeover could be accomplished without much trouble or expense.

L. J. McGOWAN

vice-president and general manager, Foundation Co. of Ontario, has been elected a director, Foundation Co. of Canada Ltd.

From the municipal point of view, the importance of standard fire fighting equipment has been illustrated from time to time when it has been found that the hose from one municipality could not be used in another near by, because of difference in the couplings thread. If the municipalities are to aid each other, couplings and fittings should be on the same standard.

Besides making mutual aid possible, it is claimed standardization should in the long run be cheaper as it would enable manufacturers to produce fire fighting equipment on a mass scale more than they do at present.

On a national basis, the benefit would be readily seen in case of large fires set by bombing or shelling in time of war. Standardization would make it possible to concentrate hose reels, engines, etc., where most needed. Here's where the Federal Government's interest comes in, it is claimed.

Standardization of fire-fighting equipment is regarded as part of the whole scheme of national defense and for this reason the national government would be justified in taking a hand in the matter. But if municipalities accept federal aid, it would have to be on condition that standard equipment is adopted.

Provincial Co-operation

The Ontario Government has indicated a readiness to co-operate with the federal authorities in standardization and it is understood that all fire departments being organized in the province for the first time will be required to buy their first fire pumper to use the new standard thread. Conversion of hose threads in existing fire departments will await further announcement in the federal program but in any event, the cost of converting to meet the new standard specifications comes under the classes of operations towards which the provincial government pays grants.

The recent action of the Canadian Standards Association is in line with requests previously made by the Fire Marshals of Ontario and Quebec, the Association of Canadian Fire Marshals and the Dominion Association of Fire Chiefs.

G. N. SHEPPARD

The Empire Life Insurance Company announces the appointment of G. N. Sheppard as Manager of the Mortgage Department of the Company at 50 King Street West, Toronto. *

Insurance Sales Rise In March

Gain Totals Almost 7% For Canada—Most Provinces Share in Rise

Canadian people continue to buy new ordinary life insurance in increasing volume, total sales in March reaching $111.8 millions, almost seven per cent more than in the corresponding month of 1949. Sales for the first three months at over $312 millions were up about 2.5%.

Sales were higher in all provinces, except Manitoba, Nova Scotia and Newfoundland.

During March, sales of new industrial insurance were $16.5 millions, while new group sales were $11.3 millions.

Figures of all classes of insurance sales, supplied by the Canadian Life Insurance Officers Association are exclusive of annuities, revivals, increases, etc.

SALES OF NEW ORDINARY LIFE INSURANCE IN CANADA
Sales in March
000's of $

	1950	1949
British Columbia	10,008	8,465
Alberta	7,545	6,582
Saskatchewan	3,167	2,567
Manitoba	5,486	5,682
Ontario	49,934	49,684
Quebec	28,768	27,559
New Brunswick	2,749	2,655
Nova Scotia	3,302	3,667
Prince Edward Island	331	102
Newfoundland	597	619
Total	111,887	104,662

Sales by Months
000's of $

	1950	1949
January	100,814	106,621
February	99,501	99,239
March	111,887	104,662
April	......	102,917
May	......	106,831
June	......	112,731
July	......	103,496
August	......	89,565
September	......	91,047
October	......	108,455
November	......	125,457
December	......	111,550
	312,202	1,262,571

METROPOLITAN LIFE INSURANCE CO., in its annual report for 1949, shows total insurance held by Canadians in the company at $2,356 millions of which 57% is ordinary, 29% industrial and 14% group. New insurance written in Canada in 1949 totaled $208.3 millions.

Glen J. Spahn, vice-president in charge of the Canadian head office, stated that during the year more than $41 millions was paid to Canadian policyholders and their beneficiaries. Over 69% of this amount was paid to living Canadian policyholders who now number 2,390,000 or one out of every six persons in Canada.

The total amount that the Metropolitan has paid to Canadian policyholders since it started operations in this country in 1872 plus the amount now invested in Canada, exceeds the total premiums received from Canadians by more than $364 millions. Metropolitan's total investments in Canada on Dec. 31, exceeded $557 millions, or $20 millions more than at the end of 1948.

Business in force with the company as a whole exceeded $41 billions of life insurance, new insurance exceeding $2.7 billions. Amount set aside for dividend payments to policyholders in 1950 is $164.2 millions, $72 millions for ordinary, $50 millions for industrial, $30 millions for group and $11.8 millions for accident and health policyholders.

All Pump Stations In For Andian National

Over-all operations of Andian National Corp. are proceeding in a satisfactory manner, President L. P. Maier told shareholders at the annual meeting.

The new intermediate pump stations have now all been placed in service, he said. Expansion of company facilities through installation of eight intermediate pumping stations at an estimated cost of $4,500,000 was undertaken to handle a proposed increase in production by the Shell subsidiary operating the Casabe Concession. This investment is covered by adequate guarantees from the customer for whose benefit the expansion was undertaken, it was stated in the 1948 annual report.

C. T. Helm was elected a director replacing P. W. Lambright. Other directors were re-elected.

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TORONTO

The National Life Assurance Company of Canada

A. H. MOFFAT, Superintendent of Agencies
522 University Ave., Toronto

INSURANCE CO. OF NORTH AMERICA group in 1949 set new high records in underwriting profit, investment income, surplus and assets, President John A. Diemand reports.

Underwriting profit was over $17.5 millions and investment profit exceeded $12.1 millions, net gain from operations after provision for federal taxes being $21.7 millions. Premium income of the group was almost $164 millions, ($158.9 millions in 1948). Earned premiums were over $9 millions higher at $151.5 millions. Underwriting expenses and claims for the year at $134 millions were down $1.6 millions. Underwriting and investment profit including appreciation in market values of securities owned by the companies contributed to an asset total of $386.9 millions up $53.4 millions. Stated surplus rose to $102 millions, ($85 millions in 1948.) Reserve for general contingencies was $43 millions ($28.8 millions in 1948). Policyholders, surplus rose $34.2 millions to $163 millions. The company increased its capital at the year end to $18 millions by declaring a 20% stock dividend.

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Albi-"R" is a Fire Retardant Coating that is listed by Underwriters' Laboratories. It's easily applied — like paint, by spray or brush — and involves no structural changes to existing buildings.

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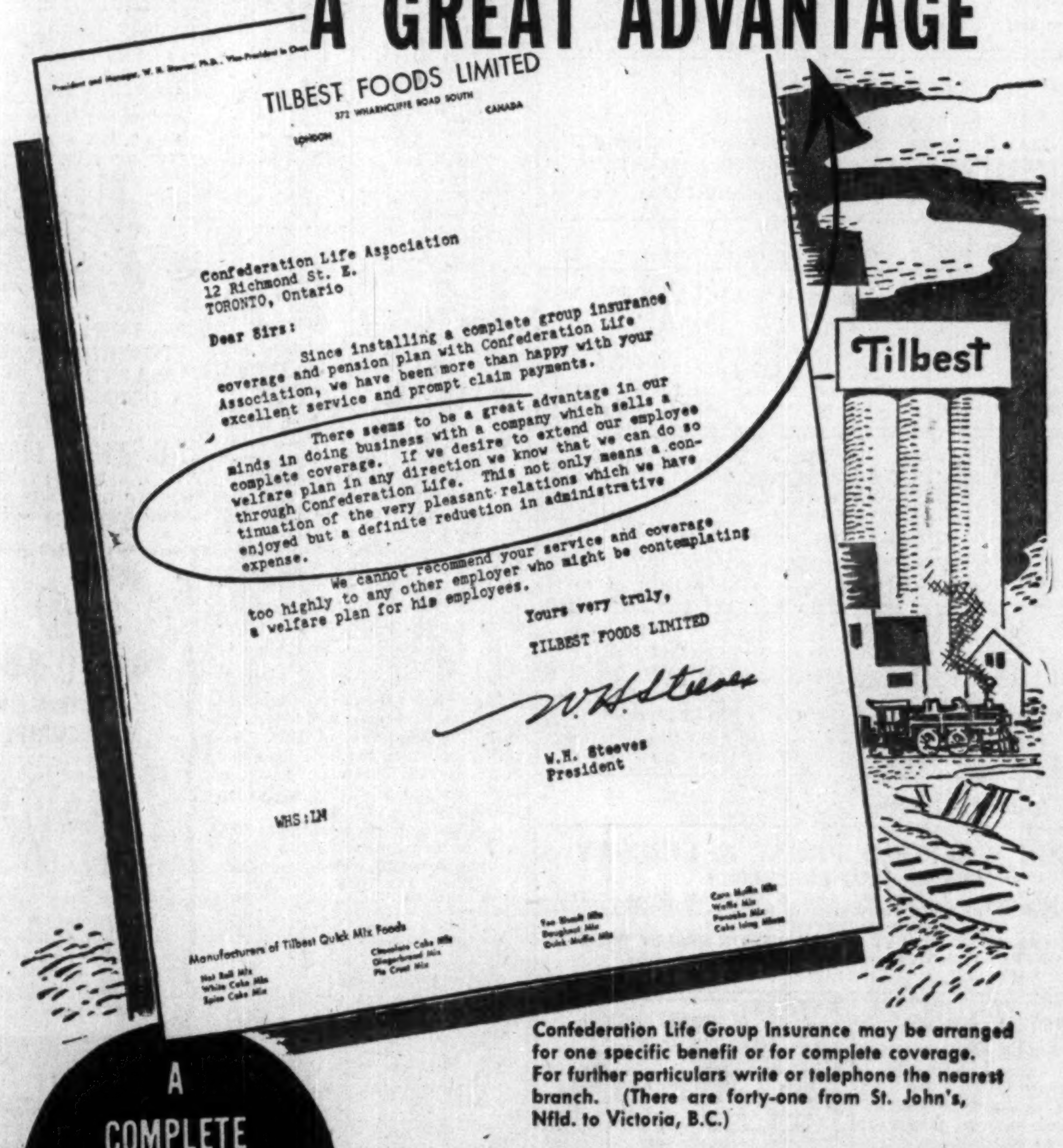

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LONDON CANADA

Confederation Life Association
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Dear Sirs:

Since installing a complete group insurance coverage and pension plan with Confederation Life Association, we have been more than happy with your excellent service and prompt claim payments.

There seems to be a great advantage in our minds in doing business with a company which sells a complete coverage. If we desire to extend our employee welfare plan in any direction we know that we can do so through Confederation Life. This not only means a continuation of the very pleasant relations which we have enjoyed but a definite reduction in administrative expense.

We cannot recommend your service and coverage too highly to any other employer who might be contemplating a welfare plan for his employees.

Yours very truly,
TILBEST FOODS LIMITED
W.H. Steeves
W.H. Steeves
President

WHS:LM

Manufacturers of Tilbest Quick Mix Foods

Confederation Life Group Insurance may be arranged for one specific benefit or for complete coverage. For further particulars write or telephone the nearest branch. (There are forty-one from St. John's, Nfld. to Victoria, B.C.)

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HEAD OFFICE TORONTO

At Head Office or any Branch

DIVIDEND NOTICES

FRESTON EAST DOME MINES, LIMITED

(No Personal Liability)

DIVIDEND NO. 43

NOTICE is hereby given that a dividend of two cents (2c) per share has been declared on the issued Capital Stock of the Company, payable in Canadian funds July 15th, 1950, to shareholders of record at the close of business on the 15th day of June, 1950.

By Order of the Board.

L. I. HALL,
Secretary-Treasurer.

Toronto, May 15, 1950.

SILKNIT LIMITED

DIVIDEND NO. 9

Notice is hereby given that a quarterly dividend of Twenty-five Cents (25c) per share has been declared on the Common Shares of the Company, payable on the fifteenth day of June, 1950, to shareholders of record, Thursday, the first day of June, 1950.

By Order of the Board,

H. T. BURGESS,
Secretary.

SILKNIT LIMITED

DIVIDEND NOTICE

Notice is hereby given that a quarterly dividend of 1¼%, Fifty Cents (50c) per share, has been declared on the 5% Cumulative Preference Shares of $40.00, par value of the Company, payable on the fifteenth day of June, 1950, to shareholders of record, Thursday, the first day of June, 1950.

By Order of the Board,

H. T. BURGESS,
Secretary.

BURRARD DRY DOCK COMPANY LIMITED

NOTICE IS HEREBY GIVEN that a quarterly dividend of .11c per share on the Class "A" shares of the Company has been declared for the quarter ending May 27th, 1950, payable on the 15th of June, 1950, to shareholders on record at the close of business on the 27th day of May, 1950. The Transfer Books will not be closed.

By Order of the Board,

C. H. MORDY,
Secretary-Treasurer.

Vancouver, B.C.,
May 11, 1950.

CANADIAN MALARTIC GOLD MINES LIMITED

DIVIDEND NO. 34

NOTICE is hereby given that a dividend of Two Cents (2c) per share has been declared by the Directors of Canadian Malartic Gold Mines Limited payable in Canadian funds on June 15th, 1950, to shareholders of record May 31st, 1950.

By Order of the Board.

A. G. FULTON,
Secretary.

Toronto, Ontario,
May 12th, 1950.

CANADA WIRE & CABLE COMPANY

The Board of Directors of this Company have today declared the following Dividends:

Class "A" Common

$1.00 per share on the outstanding Class "A" Common Stock of the Company, payable on the 15th of June 1950, out of the amount previously set aside on the 10th February, 1950, to Shareholders of record at May 31st, 1950.

Class "B" Common

An interim dividend of 50c per share on the outstanding Class "B" Common Stock of the Company, payable on the 15th of June, 1950, to Shareholders of record May 31st, 1950.

By order of the Board.

A. I. SIMMONS,
Secretary.

Toronto, May 11th, 1950.

LEVERAGE FUND OF CANADA LTD.

Dividend No. 2

Notice is hereby given that a dividend of THREE CENTS per share has been declared on the outstanding Common Shares of the Capital Stock of the Company, payable on 15th June, 1950, to Shareholders of record at the close of business on 31st May, 1950.

Holders of Bearer Share Warrants may present Coupon No. 2 for payment to any branch in Canada of the Royal Bank of Canada, on and after 15th June, 1950.

By Order of the Board. J. C. Brown,
Montreal, 9th May, 1950. Secretary-Treasurer.

THRIFT STORES LIMITED

DIVIDEND NOTICE

Notice is hereby given that a regular quarterly dividend of thirty cents (30c) per share upon the Common Stock of this Company has been declared by the Directors of Thrift Stores Limited, payable on July 1st, 1950, to Shareholders of record at close of business on June 15th, 1950. This places the stock on a basis of One Dollar and Twenty Cents ($1.20) per year.

By Order of the Board,

ROGER MESSIER,
Secretary-Treasurer.

Montreal, 9th May, 1950.

DIVIDEND NOTICE

HIRAM WALKER-GOODERHAM & WORTS LIMITED

DIVIDEND NO. 134

A dividend of 60 cents a share has been declared on the outstanding no par value Common Stock of this Company payable Thursday, June 15th, 1950 to shareholders of record at the close of business on Monday, May 22nd.

By Order of the Board.

A. H. STUART,
Secretary.

Walkerville, Canada,
May 10, 1950.

VIRGINIA DARE LIMITED

DIVIDEND NOTICE PREFERENCE SHARES

A dividend of Thirty-one and one-quarter Cents (31¼c) per share on the 5% Cumulative Redeemable Preference Shares of the Company has been declared for the three months ending June 1st, 1950, payable on June 1st, 1950, to shareholders of record May 20th, 1950.

By Order of the Board.

G. I. TAYLOR,
Secretary.

Toronto,
March 9, 1950.

LABOR ROUNDUP

Reds Retain Control of Labor Force In Key B. C. Atom, H-Bomb Plants

By RONALD WILLIAMS

For another year at least, Communists will continue to control the labor force of 3,900 at Consolidated Mining & Smelting Co., Trail, B. C.

Last week, the B. C. Labor Relations Board rejected an application for certification by the anti-Communist pro-CCF CIO Steel Workers.

However, in deciding against the Steel union, the Labor Board did a lot more than settle, if only temporarily, a bitter jurisdictional battle which has been raging at Cominco for two months.

Trail is closely linked with U.S.-Canadian defense. Located there is a joint U.S.-Canadian heavy water plant. Heavy water is used in the manufacture of the hydrogen bomb. At nearby Rossland, plutonium is made.

For the Communists, the whole area is high on their priority list. The Communist press in Canada makes no bones about it.

The International convention of the CIO Steel Workers was told in Atlantic City last week that the Red press has said "domination of this industry is necessary to protect the party's interest in this vital undertaking."

The Reds have had control of Cominco's labor force for several years through the Mine, Mill and Smelter Union, now expelled from both the CIO and CCL.

At the same time, both bodies turned jurisdiction in metal mining over to the Steel Union. This touched off the bitterest left-right union fight in a long time.

It is now raging on the West coast and in Northern Ontario's gold and nickel mines and in the U. S.

Reds Fight Desperately

The Communists are fighting desperately but only to hang on to plants which are important to defense, such as International Nickel at Sudbury and Cominco. They're virtually letting the gold mines go to steel by default to concentrate everything on things that could count.

Heading the Red union in Trail is one of Canada's key Communists, paunchy, Moscow-trained Harvey Murphy. With Tim Buck, Toronto's Stewart Smith and others, Murphy took the special training course at the Lenin Institute.

The importance of the Trail Communist cell was further emphasized by a recent under-cover visit by one of the United States top union Reds—Maurice Travis. Officially he is vice-president of the U. S. section of Mine, Mill; but to all intents and purposes, he's the boss. He was president at one time but because his political affiliations were too well known, he was ordered to step down.

During the height of the bitter fighting and wrangling, the Reds secretly sent Travis to Trail to master-mind strategy against the Steel union. He had previously been barred from Canada.

Word got around that he was in town. Soon the RCMP got wind of it. He was nabbed in a Trail hotel by Immigration officials along with the RCMP and escorted across the border.

Steel Claims Majority

In the face of this obvious Communist interest in Trail and the fact that the Steel Union showed membership cards and check-off authorizations for 2,265 of the plant's 3,900 employees, why was the application rejected?

The Board said it was because Steel had failed to show a majority in good standing.

The question was considered so important by the steel union that regular business was interrupted to bring it up at the International convention in Atlantic City last week.

Here's what Secretary-Treasurer David J. McDonald announced to 2,000 delegates from all parts of Canada and the U. S.:

"An application for certification has been before the Board since March 11. On Saturday last (May 6), after their delay made it possible for the minority Mine, Mill to open negotiations for a new collective bargaining agreement, the Board rejected our application without even permitting the workers to have a vote.

"The Canadian director (C. H. Millard) points out that some plants in B. C. where our union is certified, have wage rates as much as 15c an hour higher than those organized by Mine, Mill."

Two Reasons

As far as union observers can see, the Board could have had only two reasons for tossing the application out.

1. The steel union has no right organizing metal mines. Elsewhere in Canada, unions decide or fight among themselves which shall have jurisdiction. In B. C., this authority has been given to the Labor Board. No other Board has such power.

2. The union did not submit evidence that those who had signed application cards had paid any money.

There's nothing much the Steel union could do if it had been the first except holler. But if it is the second, they're planning on quite an argument. They say their application was accompanied by check-off authorizations and that in at least six other cases, this was enough to get certification from the same Labor Board. In any event Steel is planning to appeal. And if the decision is upheld, the talk is that an effort will be made to make it a major political issue provincially. This shouldn't be too difficult: the union and the CCF are very close.

Timmins Goldfields

Meanwhile, in the Timmins goldfields Steel was winning the jurisdictional battle but doesn't appear to be making much headway with the gold mine operators.

A strike seems imminent at one mine — McIntyre-Porcupine — over the issue of the checkoff. Conciliation Boards are looking into disputes with three others; the union has won certification at five others and is organizing in three more. In addition, application for certification has been applied for at one of Canada's largest gold mines—Hollinger which employs 1,600 men. Altogether, steel is in or getting in 12 of the 16 mines in the Timmins area. The 12 mines represent about 6,000 workers.

Shaping up in view of the union's apparent determination to hold out for the check-off and the operator's unquestionable determination to refuse it, is what some consider a tough, bitter strike, comparable to the Kirkland Lake strike in 1942.

* * *

Railways In Trouble

The United States was up to its ears in a rail strike last week and Canada seemed to be slowly but surely heading for the same sort of trouble.

Of the two disputes, U. S. railway unions had the poorest case. The Brotherhood of Railroad Firemen and Enginemen want an extra fireman carried on multiple-unit diesel engines and at least one fireman on switch engines and electrically operated engines. At midweek, the strike was settled, with some changes, but neither side sure of what it had won.

In Canada, the issue was the 40-hour week and the same take-home pay for the present 48-hour week. Unions were also asking for 7c-10c as well. The general feeling was they would forget this if they could get the 40-hour week without a pay cut. Last week, as expected, the top policy committee of 15 International unions ordered a strike vote among their 90,000 members. Earlier the Canadian Brotherhood of Railway Employees (CCL) did the same. Both groups have rejected Conciliation Board findings recommending a 44-hour week plus a pay raise. For some it would mean a slight cut in take-home pay; for others, a slight increase.

The Canadian situation is shaping up almost the same as it did in 1948 when a strike was averted by a government intervention and a last-minute offer of 17c an hour raise. Then their asking price was 35c an hour. This time it's, the equivalent of about 29c.

* * *

U. K. Union Membership

For the third year in succession, trade unions in the United Kingdom reached a new high in membership. Total at the end of 1948 was reported at 9.3 millions, an increase of 1.7% over 1947.

At the same time a trend toward amalgamation persisted; number of separate unions dropping from 733 in 1947 to 706 in 1948.

Seventeen unions had memberships of 100,000 or more. The largest group was that of road, dock and transport workers and general labor, with 2.1 million members. Metal trades, engineering, shipbuilding and electrical goods group was next with 1.7 million; coal mining third with 784,730 members.

* * *

Labor Briefs

CIO Newspaper Guild was last week certified as bargaining agent for Press News, a subsidiary of Canadian Press. Earlier, the Canada Labor Relations Board certified the Guild for C. P. but ruled a separate application had to be made for Press News which provides news for radio.

* * *

Office employees of the Ford Motor Co. of Canada are to get the same company-paid pensions as the company settled for with the CIO Auto Workers. Office workers are also represented by the Auto union.

Public Utility Earnings

Mexican Light & Power

	Dec. 1949	Dec. 1948
Gross earns.	$1,783,953	$1,704,464
Oper. expenses	1,735,596	1,612,377
Int. & s. f.	169,000	180,764
Net earnings	*120,643	*88,677
12 Months:	1949	1948
Gross earns.	19,335,831	20,289,113
Oper. expenses	18,145,610	18,971,464
Int. & s. f.	2,100,000	2,215,764
Net earnings	*909,779	*898,115

*Deficit.

Above figures subject to year-end adjustments.

Grain Prices

Chicago Futures

Week to May 15, 1950

Crop year from Aug. 1, 1949 High	Low		High for week	Low for week	Close May 15
		Wheat—			
2.36¼	1.19¼	May	2.36¼	2.33	2.35⅞
2.24¼	1.84	July	2.23⅞	2.17	2.19
2.23½	1.86¼	Sept.	2.22¼	2.16¼	2.18⅞
2.25	1.88¼	Dec.	2.23¾	2.18	2.20⅞
2.24½	2.17⅞	Mar.	2.23⅞	2.18	2.20
		Corn—			
1.49	1.13¼	May	1.49	1.46	1.47¼
1.48¼	1.19	July	1.48¼	1.45¼	1.46¼
1.42⅞	1.17¼	Sept.	1.42⅞	1.39¼	1.40½
1.35⅞	1.10⅞	Dec.	1.35¼	1.30⅞	1.31½
1.33	1.32¼	Mar.	1.33	1.32¼	1.32¼
		Oats—			
.89¼	.59⅞	May	.89¼	.83¼	.88¼
.83½	.56¼	July	.83¼	.79⅞	.82⅞
.77½	.59⅞	Sept.	.77¼	.74⅞	.75⅞
.78½	.61½	Dec.	.78¼	.75⅞	.76⅞
.80¼	.77⅞	Mar.	.80¼	.77⅞	.77⅞
		Rye—			
1.59½	1.25⅞	May	1.44⅞	1.37½	1.37½
1.52¼	1.26⅞	July	1.47¼	1.38¼	1.39¼
1.49½	1.28¼	Sept.	1.49	1.40¼	1.42¼
1.53¼	1.31⅞	Dec.	1.52⅞	1.45¼	1.46¼
		Soybeans—			
		May	3.22	2.87	2.91¼
		July	3.19½	2.87⅞	2.93
		Nov.	2.25¼	2.12⅞	2.18¼
		Jan.	2.26⅞	2.13¼	2.19¼

Chicago Cash

	For Week May 15 High	Low	Prev. Week High	Low
Corn—				
2 Yel.	1.51	1.49¼	1.51½	1.46¼
Oats—				
1 H. Wh.	.93⅞	.88¼	.89⅞	.86¼

Winnipeg Futures

Week to May 15, 1950

Crop year from Aug. 1, 1949 High	Low		High for week	Low for week	Close May 15
		Oats—			
1.05⅞	.69⅞	May	1.11	1.01⅞	1.10⅞
.96	.72¼	July	.97⅞	.93	.97½
.87⅞	.70½	Oct.	.87	.85¼	.86¼
		Barley—			
1.50⅞	1.09¼	May	1.44¼	1.40¼	1.43
1.42⅞	1.09⅞	July	1.38¼	1.35⅞	1.37¼
1.24⅞	1.01¼	Oct.	1.24¼	1.20⅞	1.22
		Rye—			
1.64	1.40⅞	May	1.58⅞	1.51⅞	1.52⅞
1.60⅞	1.36⅞	July	1.60¼	1.52⅞	1.53⅞
1.60⅞	1.33¼	Oct.	1.60¼	1.53¼	1.53⅞
		Flax—			
3.79¼	2.62	May	3.78¼	3.76	3.78¼
3.79	3.48	July	3.75¼	3.71⅞	3.72
3.46⅞	3.27	Oct.	3.46⅞	3.40	3.46⅞

Winnipeg Cash

	For Week May 15 High	Low	Prev. Week High	Low
Oats—				
2 C. W.	1.11¼	1.06¼	1.07¼	1.04¼
3 C. W.	1.10¼	1.05¼	1.06¼	1.03¼
Barley—				
1 Feed	1.41¼	1.38	1.46¼	1.37¼
2 Feed	1.40¼	1.37	1.45⅞	1.35¼
1 Malt	1.70⅞	1.67¼	1.75¼	1.67
Rye—				
2 C. W.	1.56⅞	1.51¼	1.57⅞	1.52⅞
Flax—				
1 C. W.	3.78¼	3.76	3.79¼	3.76

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Manitoba Seeding Season May Be Latest on Record

From Our Own Correspondent

WINNIPEG—The crop seeding season of 1950 may be the latest on record in Manitoba and crop losses, because much land can't be sown at all, will be the biggest as the result of flood damage.

The Red River Valley is designated as Crop District No. 3 in records of the department of agriculture. Last year on a sown acreage of 2,120,000 acres, seeded to wheat, oats, barley, rye, flax and potatoes it produced a crop of $41,342,000 gross value.

At least 600,000 acres of the district is under water and perhaps another 250,000 so soggy that it may be mid-June before anything can be done on it, too late for wheat even the earlier rust-resistant varieties which mature earlier.

It is estimated there will be at least a $15 million loss in the Red River district because of the large area which will never be seeded.

At mid-May when crop seeding should be general and often has been a month earlier, there has been practically no seeding in Manitoba this year at all. What little there was has been in the Swan River Valley where precipitation has been below normal since last summer. Warm dry weather is urgently needed to get the land in condition and even with it seeding can't be general before the week of May 22.

In the Red River Valley it will not be until about June 10.

The first crop bulletin of the year issued May 15, by the Department of Agriculture says that all branches of agricultural production are discouraging in prospect. For livestock there has been a shortage of roughage all through the province, no pasture as yet, and animals have come through in only fair to poor condition.

Dairymen are worried because after a long severe winter there is no pasturage. Egg production is down about 10% from last year and will be down more because of loss of flocks in the floods.

Over-wintered colonies of bees are making slow progress. There has been considerable reduction in imports of package bees.

In the last 10-year period 1940-50 in six years seeding has been general through Manitoba in April. Four times it has not been general until May. The latest year was 1945 when seeding wasn't general until May 18. In the flood year of 1948 it was May 12. The date was May 6 in 1947 and May 2 in 1949.

GIANT YELLOWKNIFE GOLD MINES reports that balance of 17,450 shares under option to certain personnel of the company at $5 a share has been exercised. Issued capital is 4 million shares with none left in the treasury.

New Brandon Plant For Oshkosh Filter

From Our Own Correspondent

WINNIPEG—Oshkosh Filter & Water Softener Co., Oshkosh, Wis., has incorporated a Canadian subsidiary to manufacture in Manitoba.

Oshkosh Filter & Softener (Canada) recently bought land in Brandon and is preparing plans for plant construction to start weeks hence. Initial working force of about 15 will make water softeners, iron removal filters, neutralizers, taste and odor removal filters, sand filters and hydrogen ion exchangers.

Eight months later, company officials say, automatic electric water heaters will be added to the Canada-made line.

Original intention was to locate in the East. It is stated the swing West was inspired mainly by joint effort of Manitoba's provincial Dept. of Industry & Commerce, Brandon Chamber of Commerce and corporation of the City of Brandon.

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Surplus	4,033,971.64
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Write for Financial Statement

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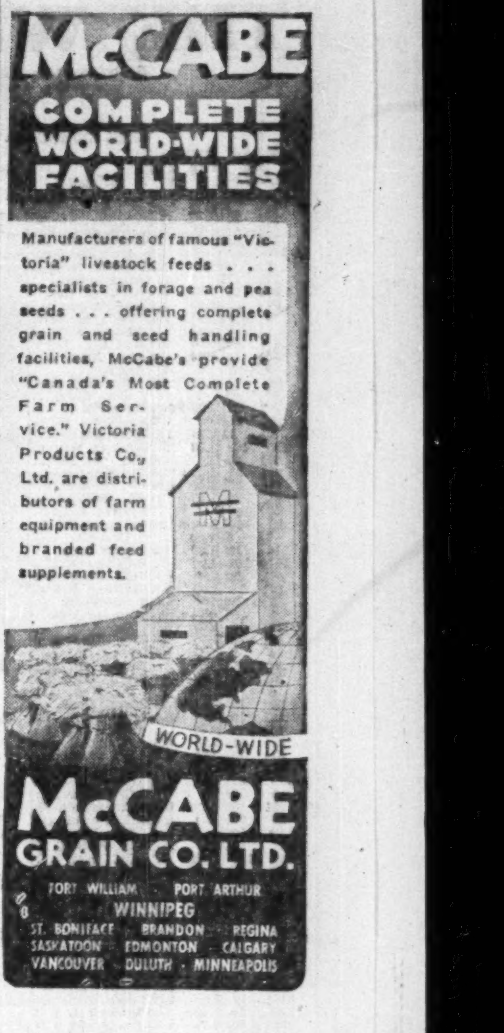

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THE WEEK'S QUOTATIONS

Quotations here listed are the official stock exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

Montreal and Toronto Winnipeg, Calgary and Vancouver

WEEK ENDING MAY 12

Range 1950 High	Low	Div R'te $	May 12 Y'ld %	Company	Sales	Last May 5	Week end. May 12 H	L	Cl'se
29¼	21½	2.00	7.1	Abitibi	12054	28¾	29	28¼	28¼
24¼	22	1.50	6.3	Do. $1.50 pf.	10325	24	24¼	23¾	23¾
25¼	22¾	1.00+†.70		Acadia At. A.	270	23¾	24¼	24	24
105	100½	5.00	4.8	Do. 5% pref.	90	103¼	105	104	105
9	8½	.60	6.6	Agnew Surp.	511	8¾	8¾	8¼	8¾
17¾	13¾	.	...	Algoma Steel	9040	17	17¼	16¾	17
27¼	26	1.00	3.8	Alum of Can p	660	27	26¾	26¼	26¼
67	52¾	2.40	3.6	Aluminium, n.	1385	65¼	67	65¼	66¼
9	6¼	..	...	Amal. Electric	25	6¼	6¼	6¼	6¼
11¼	8	.80	8.0	Fibre Products	350	10	10	10	10
1.75	1.05	..	...	Fleet Aircraft	100	1.15	1.15	1.10	1.15
37½	24¼	†1.00+1.00		Ford Motor A.	7505	37¼	37½	35¾	36
41¼	30	†1.00+1.00		Do. (B)	100	41¼	41¼	41¼	41¼
33	29	1.40+†.50		Foundation Co.	180	30½	30¾	30	30¾
30½	24¼	2.00	6.7	Fraser Cos.	6280	29	30½	28¾	29¾
99¾	98	4.75	4.8	Do. pref.	320	99¾	99¾	99¼	99¾
19¼	17½	1.20	6.2	Gatineau Pwr.	240	19	19¼	19	19¼
110	105	5.00	4.6	Do. pref.	80	108¾	110	108	108¼
111	110	5.50	5.0	Do. 5½%	25	111	111	111	111
3.00	2.25	..	...	Gen. Bakeries.	725	2.85	2.95	2.90	2.90
35	29¼	1.00	3.0	Gen. Prod. A.	405	34	34	33½	33½
20	17½	1.00	5.5	Gen. St. Wares	515	18¼	18¼	18	18¼
106	100	5.00	4.8	Do. pref.	55	104¼	105	104¼	105
95	84½	†1.00	..	Goodyear Tires	25	85	86	86	86
53½	52	2.00	3.8	Do. pref.	50	52½	53	52½	53
10¾	9¾	.50	5.0	Gor MacKay A	350	9¾	10	9¾	10
20	14¼	1.00+†.15		Gt. Lakes Pap.	18653	19¼	20	19¾	19¾
45	40	2.50	5.6	Do. A pref.	554	44	45	44¼	44¼
26	20	▪1.25	..	Gt. West Coal.	555	20	21	20	21
6¼	5¼	†.30	...	Gt. West Felt.	100	5¼	5¾	5¾	5¾
12¾	9¾	.	...	Gt. W. Saddlery	75	9¾	10	9¾	10
4.75	4.12½	.20+▪.05		Greening Wire	250	4.75	4.75	4.75	4.75
19¼	17½	1.40	7.2	Gypsum, Lime.	1985	19¼	19¼	19	19¼
25	14	†.30+4.20		Hahn Brass	10	16	16	16	16
12¾	10	▪.10	...	Halifax Insur.	115	10¼	10¼	10	10

Range 1950 High	Low	Div R'te $	May 12 Y'ld %	Company	Sales	Last May 5	Week end. May 12 H	L	Cl'se
15¾	11¾	.50	+†.12½	Ham. Bridge	933	13¼	13¼	13	13
15¼	13¼	†.50	...	Ham. Cot.	250	15	15	15	15
11	9¾	.80+▪.10		Harding Carpet	1215	10	10	9¾	10
36¼	27	▪1.00	..	Hayes Steel	250	33	32¼	31¼	31¼
18	16¼	1.00	5.7	Hinde & Dauch	139	17¼	17¼	16¼	17¼
7¼	7¼	.60	8.3	Holden Mfg. A	25	8¾	7¼	7¼	7¼
14	14	....	....	Ho. De LaSalle	12	14	14	14	14
44¼	34¾	2.00	4.5	H. Smith Paper	981	44¼	44½	44	44¼
50	48¼	2.00	4.0	Do. pref.	74	49¾	49¼	49¼	49¼
24¾	23	5%	4.0	H & E M. 20% p	35	24	24¾	24¾	24¾
46¾	36	2.40	5.6	Walker-Good.	11827	44	45	42¾	42¾
6	4¼	†.20	...	Waterous Ltd.	20	5	4¼	4¼	4¼
10	8¾	.80	9.1	Do. (A)	100	9	8¾	8¾	8¾
94	94	5.50	5.9	Wesley Mason	25	94	94	94	94
60	49	3.00	5.3	Westeel	481	57	58¼	51	56¾
16¼	14	†1.00	..	W. Can. Brew.	769	15	16	14¾	14¾
2.50	.70	.	...	West Grain	300	1.50	2.50	2.50	2.50
35	31	2.00	6.3	West Grocers A	100	33	32¼	32	32
32¼	31	1.40	4.4	Do. pref.	200	31	32	31¾	32
4.12½	3.15	.10	2.8	Westmin'r P B	100	3.75	3.50	3.50	3.50
28	20	1.00	3.6	Weston, George	1566	27	28	27	28
102	100	4.50	4.5	Do. 4½% pref.	75	101	101¼	100	100
19	14	.	...	Windsor Hotel.	75	18	18	18	18
42¼	33¼	†.75	...	Winnipeg Elec.	6690	38¾	38¼	36¾	37
101	99	5.00	5.0	Do. pref.	120	101	101	100	101
120	115	‡7.00	..	Wood, A & J p	130	115	118	115¼	118
30	25	†.25	...	Woods Mfg. pf.	45	26	29	25	29
6¼	5	.40	7.6	York Knit. A.	220	5¼	5¼	5¼	5¼
2.50	1.00	.	...	Do. (B)	40	1.75	1.85	1.85	1.85
17	13	†.12½	..	Zellers	630	17	17	16¾	16¾

*On arrears. ▴N. Y. funds. ▴▴Participating div.
*Net after income taxes. •Dividend deferred.
♦After stock split. ▪Paid in 1949.
♦Plus extras. ‡Plus payments on arrears.
†Paid or payable in 1950. §For each 20 shares held.

Mining Stocks

Week Ended May 12

Range 1950 High	Low	Div. Rate $	May 12 Yield %	Company Sales	Last May 5	Week Ending May 12 High	Low	Close
1.75	.72	.....	....	Akaitcho. 144,250	1.50	1.75	1.40	1.69
.04	.04	.....	....	Do. Rts. 400	.....	.04	.04	.04
.28	.15½	.....	....	Amal. Lard. 15,000	.17	.18½	.17	.18
.65	.50	.....	....	Amer. Neph. 5,000	.61	.62	.59	.60
.13½	.07	.....	....	Amer. Y.K. 19,000	.13	.13	.12½	.13
3.25	2.23	†.06	....	Macassa 4,275	2.72	2.75	2.60	2.60
.86	.44	.....	....	Mac'ald. 311,950	.63	.86	.62	.74
.10	.05	.....	....	Macfie 19,500	.08½	.08½	.07½	.07½
.17	.10½	.....	....	Macho R. 18,500	.12½	.12½	.11½	.12½
4.10	2.11	*.05	....	MacLeod 62,200	3.45	3.50	3.10	3.35
3.20	2.76	.10	3.4	Mad R L. 12,197	3.10	3.10	2.95	2.98
.60	.31	.....	....	Magnet 78,230	.44½	.57	.44	.53
3.75	2.95	.....	....	Malartic G. 16,425	3.30	3.35	3.15	3.25
.03½	.02	.....	....	Man&East. 10,500	.03	.03½	.03	.03
.08½	.03½	.....	....	Maralgo 12,143	.06	.07	.06	.07
.30	.13½	.....	....	Marcus G. 43,605	.23½	.30	.25	.28
.07½	.03½	.....	....	Mar. McN. 1,000	.06½	.07½	.07½	.07½
67.50	60.00	2.01 +1.00‡‡	5.3	McIntyre 1,170	62.50	61.50	60.00	60.00
.60	.47	.....	....	Mc. R.L. 3,700	.55	.55	.53	.53
.12½	.03½	.....	....	McLel'n C 284,050	.09½	.12½	.09	.12½
.10	.08	.....	....	McMar'e 2,520	.09	.09	.08½	.09
13.50	11.87½	†.15	....	Mining C. 2,190	12.12½	12.50	12.00	12.25
.41	.33	.....	....	Moneta 26,240	.35	.40	.34	.35½
.57½	.16	.....	....	Mosh. L L 239,413	.36	.47½	.35½	.47½
.16	.06	.....	....	Mylamaque 54,660	.11½	.16	.12	.13
1.84	1.41	.....	....	Negus M. 5,100	1.70	1.70	1.55	1.60
.11½	.07½	.....	....	N. Alger 8,500	.10	.11	.10	.10½
.07	.03	.....	....	New Bidl'e 3,598	.05	.05½	.05	.05
1.46	.95	†.06	....	N Calumet 59,802	1.30	1.46	1.30	1.41
1.20	.66	.....	....	N Dick'n 33,750	1.07	1.12	1.01	1.70

Oil Stocks

Range 1950 High	Low	Div. Rate $	May 12 Yield %	Company Sales	Last May 5	Week Ending May 12 High	Low	Close
3.70	2.75	.....	....	Polaris 12,800	3.45	3.50	3.35	3.50
.62	.32½	.....	....	Princess P. 53,350	.51	.54	.50	.54
.43	.34	.....	....	Reef Pet. 4,500	.39	.40	.38	.38
.04½	.01½	.....	....	Richfield 2,000	.02	.03	.03	.03
.49	.25	.....	....	Roxana 12,000	.41	.42	.33	.35
.08	.05	.....	....	Royal Can. 32,500	.07½	.08	.07½	.08
15.50	8.80	†.13	....	Royalite 13,818	12.75	13.37½	12.37½	12.75
.11½	.05½	.....	....	Share Oils 119,000	.08¼	.11½	.08¼	.09½
.14	.09½	*.01	....	So. Brazeau 149,475	.12	.13	.11	.11½
.48	.29	.....	....	So. West Pete. 3,000	.42	.40	.35	.40
.40	.15	.....	....	Spooner 47,350	.40	.40	.36	.38
.25	.15	§.01½	....	Sunset 13,250	.21	.25	.23	.24½
.53	.40	.....	....	Superior 63,800	.49	.53	.49	.51
.50	.24	.....	....	Tower Pet. 7,800	.28	.28½	.26	.28
.25	.10	.....	....	Turner V. 1,000	.12	.25	.25	.25
.34	.18	.....	....	United Oils. 50,570	.30	.32	.28	.30
.39	.20½	.....	....	Vanalta 15,300	.35	.39	.32	.32
.40	.20	.....	....	Vulcan 14,090	.33	.35	.31	.31
.04½	.02	.....	....	Warner 11,490	.02	.04½	.04	.04½
.09½	.07	.....	....	York Oils 3,000	.08	.08	.08	.08

* N. Y. Funds. x Extra. * Paid or payable in 1949.
§ Paid in 1948. ‡ Capital Distribution. † Payable in 1950.

Volume of Stock Sales

	Montreal	Toronto	Calgary	Vancouver	New York
May 15	1,033,600	2,549,000	145,773	105,491	1,600,000
May 13	635,100	1,779,000	66,960	63,400	730,000
May 12	1,199,600	3,450,000	210,956	192,279	2,160,000
May 11	960,800	2,930,000	165,565	140,118	2,140,000
May 10	1,180,200	2,787,000	231,793	128,250	2,440,000
May 9	1,444,700	3,141,000	409,200	270,106	2,210,000

BUSINESS BAROMETERS

	APR.	MAR.	FEB.	JAN.	Year Ago
MERCHANDISING					
▪Dept. store sales (3)	—10	—9	+0.2	+4	....
Country store sales (3)	....	....	—1.5	—3.6	....
Retail store sales (3)	....	....	+8.9	+1.7	....
Wholesale sales index (1)	....	....	244.8	231.8	244.6
FINANCE					
Dividend payment index (1) (5)	210.3	212.1	212.4	213.8	217.2
Money supply (millions $)	....	....	4,413	4,386	4,091
NEWSPRINT CAPACITY					
Production ratio (7)	....	96.6	97.7	97.2	101.7
RAILWAY FREIGHT LOADINGS					
▪Tons (D.B.S.) (1)	196.9	220.3	195.1	178.5	220.3
▪Cars (D.B.S.) (1)	148.8	163.7	157.5	147.2	157.6
COST OF LIVING					
D.B.S. (1)	164.0	163.7	161.6	161.0	159.3
EMPLOYMENT INDEX					
All industries (6)	....	186.8	187.3	194.0	188.9
Payrolls (June 1/41=100) (2)	....	....	209.1	209.0	207.1
MANUFACTURING					
Inventories (1947=100)	....	....	128.9	126.9	134.0
Employment (6)	....	199.7	198.8	199.7	203.0

	1950	1949	1950 Jan. 1 to date	1949	% Change
RAILWAYS—(000's omitted)					
▪Carloadings (week May 8)	73.9	74.4	1,248.3	1,303.3	—4.1
C.N.R. gross rev. (Mar.)	44,865	41,436	116,671	115,646	+0.9
C.N.R. net rev. (Mar.)	3,069	845	—852	—2,140	+60.2
C.P.R. gross rev. (Mar.)	32,230	30,891	83,178	85,558	—2.8
C.P.R. net rev. (Mar.)	3,264	814	1,363	319	—37.3
IRON AND STEEL PRODUCTION (000's omitted) (Mar.)					
Pig iron production (tons)	175	202	523	558	—6.3
Steel production (tons)	294	298	842	842	....
CONSTRUCTION (000's omitted)					
Contracts awarded (Apr.)	112,886	76,794	309,467	280,498	+10.3
Cement prod., bbls. (Feb.)	1,109	1,104	2,362	2,225	+5.1
AGRICULTURE (000's omitted)					
Flour exp., bbls. (Mar.)	806	710	2,481	2,358	+5.2
Wheat exp., bush. (Mar.)	9,984	10,512	28,763	35,650	—19.3
▪Cattle sales (Apr.) (4)	111.1	108.3	489.1	460.5	+6.2
▪Hog sales (Apr.)	427.0	347.0	1,686.3	1,397.5	+20.6
SEA FISHERIES (000,000's omitted)					
Catch, lb. (Mar.)	23.5	23.8	221.5	191.4	+15.7
Landed value (Mar.)	1.1	1.2	5.7	5.0	+10.4
NEWSPRINT (000's omitted)					
Production (Mar.) (7)	452	456	1,268	1,283	—1.2
Exports, tons (Mar.) (7)	427	420	1,207	1,251	—0.7
MINING AND OILS (000's omitted)					
Coal prod. (tons) (Mar.)	1,917	1,685	5,439	5,230	+3.9
Gold prod. (fine oz.) (Feb.)	351	308	705	617	+14.2
Petroleum prod. (bbl.) (Jan.)	1,927	1,356	1,927	1,356	+42.1
ELECTRICAL POWER OUTPUT (000,000 omitted) (Feb.)					
▪Total monthly kw.h.	4,177	3,924	12,020	11,023	+9.0
FOREIGN TRADE (millions of $)					
▪Imports (Mar.)	237.4	235.9	649.5	665.7	—2.6
Exports (Mar.)	228.2	216.8	648.9	658.8	—7.6
FINANCE (millions of $)					
Bank debits (Mar.) (8)	7,730	6,868	21,037	19,772	+6.4
Bond sales (Mar.)	969.7	881.0	1,780.8	1,280.3	+39.1
Life insurance sales (Mar.)	111.9	104.7	312.2	310.5	+0.5
OTHER INDUSTRIAL FACTORS					
Shoe prod. (Feb.)	2,842	2,963	5,351	5,492	—2.1
Cigarette cons. (000,000) (Mar.)	1,627	1,401	4,494	3,846	+16.8

(1) Base period 1935-39=100.
(2) All industries.
(3) % change from year ago, latest week or monthly average.
(4) Total at yards and plants.
(5) Nesbitt Thomson, ec.
(6) Base period 1926=100.
(7) Includes Newfoundland.
(8) Includes debits in St. John's, Nfld., since April only.

Unlisted Stocks

(Compiled from quotations by Intercity Securities Ltd., Toronto and Kippen & Co., Montreal.)

May 15, 1950

	Bid	Ask
Allens Toronto Units	42.00	....
Anglo Can. Telephone A.	10.25	11.00
Ash Temple Co.	4.50	....
Ashdown Hardware B	15.25	16.00
Beauharnois L. H. & Power	23.75	24.50
Beauharnois Power	10.00	11.25
British M'tgage and Trust	195.00	....
B. C. Sugar	90.00	93.00
Can. General Invest.	18.50	....
Canadian Gen. Sec. C.	7.00	....
Can. Investment Fund	5.15	5.65
Can. Investors Corp.	11.25	12.00
Canadian Motor Lamp	12.50	13.50
Can. Silk Products "A"	32.00	34.00
Can. West Nat. Gas. Co.	60.00	....
Do. pfd.	19.25	20.75
Capital Wire Cloth com.	14.25	....
Chase, A. W. units	52.00	56.00
Colonial Steamships com.	125.00	135.00
Commercial Finance com.	17.00	....
Commercial Life 10% pd.	10.75	....
Continental Life 20% pd.	45.00	....
Corporate Investors	9.21	9.95
Detroit Internat'nal Bridge	17.25	18.75
Dover Industries Limited	9.50	10.25
Dunlop Tire pfd.	25.00	26.00
Empire Life Ins. 25% pd.	17.00	19.00
Galt Brass com.	32.00	....
Goderich Elev. & Trans.	14.75	15.75
Great West Life	445.00	465.00
Guardian Realty pfd.	54.00	....
Husky Oil & Ref.	4.75	5.50
Imperial Life	345.00	365.00
Lambton Loan $50 par	85.00	90.00
Loblaw Groc. Inc.	27.25	28.00
Manufac. Life Insur.	345.00	365.00
Medical Arts	35.00	40.00
Monarch Life Ass. 40% pd.	136.00	143.00
Mountainview Apts. pfd.	28.00	....
Northern Tel. Com.	1.60	1.95
Ont. Jockey Club	1,450.00	....
Peller Brewing com.	1.00	1.75
Do. pfd.	11.00	12.75
Ritchie Cut Stone Pfd.	8.25	9.25
Rosedale Golf	140.00	....
Sawyer Massey com.	.75	....
Seiberling Rubber Com.	5.00	6.50
Sincennes McNaught. Tugs	2.00	3.00
Sov'gn Life Assoc. 25% pd.	50.00	....
Standard Fuel pfd. 4½%	36.00	38.00
Do. com.	3.00	5.00
Sun Life Assce.	650.00	675.00
Third Can. Gen. Inv.	4.00	4.45
Toronto General Ins.	6.00	8.00
United Co-op's Ont. pf.	2.00	....
United Farmers Co-op.	2.00	....
United Steel "A" pfd.	24.00	25.50
Victoria Trust & Savings	145.00	....
Waterloo Mfg. Com.	6.00	6.75
Waterloo Trust & Savings	124.00	128.00
Western Assurance Com.	72.00	....
Western Grain com.	2.00	2.75
Do. pfd.	43.00	48.00
York Trading Com.	11.00	....

STOCKS NOT TRADED THIS WEEK

	Div. Rate $	Last sale	May 12 Bid	Ask
Acme Glove	▪.50	9¾	8	10¾
Assoc. T. & T. A.	..	68	..	..
Do. pref.	▴6.00	138¼	..	..
Auto Electric	.40	6	6¼	9
Do. A	.50	7¾	7¾	8¼
Auto Fabric A .60+▪.20		7¼	7	7¾
Do. B	.40	4	4	..
Barcelona	..	1.50	..	..
Bates & Innes	1.00	14¼	14¼	15
Beaver Lumb. 1.00+†.50		32	31	..
Do. A	1.00	19¼	19	..
Do. pref.	1.40	28	28	..
Belding Cort.	6.00	167	165	..
Belgium Glove	.60	8	8	8¼
Do. pref.	1.00	16¼	..	16
Bertram & Sons B .20+†.05		7¼	6¼	7
Blue Ribbon	..	14	13	13¼
Blue Top Br. B	▪14.00	20	20	..
Bowes Co. B 2.00+†2.00		40	38	..
Brand. Hender.	..	9	9	10
Brazilian Tr. pref.	6.00	125	123¼	135
Bright, T. G.	1.00	21	15	19¼
B. C. Packers A	.75	11	11¼	11¼
Burns & Co. A	†2.00	30	30¼	30¼
Caldwell L'n .80+†.20		16¼	12	15
Do. 2nd pref. .80+†.20		17	16¼	..
Canada Bread	.10	2.40	2.40	2.50
Can. Cr. Stone †.20+.20		13	13¼	15
Can. Floor.	.60	12	..	13
Can. Foils	.20	6¾	6	..
Do. A .60+†.20		13	12	12¾
Can. Forg. A	1.50	28¼	..	27¾
Do. B	▪1.50	45¼	..	75
Can. Iron pref.	.60	13¾	15	..
Can. Life Ass.	20.00	550	..	..
Can. Machine	.50	6	6	6¼
Can. Safeway pf.	4.50	100	101	..
Can. Starch pref.	7.00	105	100	..
C. Varnish 5% pf.	1.25	20	20	23
Can. Wire Cable A	4.00	90	90	..
Can. Bronze pref.	5.00	103¼	103	..
Can. Colliers.	†.15	2.40	..	..
Can. Convert. B	..	8	6¾	8
Can. Fairb. pref.	6.00	131	133	..
Can. For. Inv.	2.00	35	33	34¼
Can. G. Elec. 8.00+†4.00		270	255	..
Can. G. Sec. A	†3.00	50	40	..
Do. B	†3.00	20	40	..
Can. Ice Mach.	..	5.00	4.00	5.00
Do. A	.80	10¾	10	12
Can. Ingersoll-R.	4.00	71	68	71
Can Int. I. Tr. pf.	†.12½	95	97	100
C. Pr. & Pa. In.	..	16	14¼	16
Can. Wallpaper A	▪1.00	14	15	15¼
Do. B	▪1.00	13¼	15	16
C. Wire Box A	1.50	26	25	26
Cassidy's pref.	7.00	115¼	115	..
Cent. Can. L'n	8.00	205	201	..
Cent. Nor. Air. A	▪.25	5.00	..	6.25
Do. B	..	2.00	..	2.50
Chart. Trust	1.00	29	31	33
Chatco Steel pref.	.50	7	7	7¼
Cinzano A	4½d	.35	.55	.75
Do. 5½% pref.	5½%	2¼	..	..
Circle Bar Knit.	..	7¼	7¼	8
Cochrane-Dun. A.	.80	15	15	16
Do. pref.	1.20	25	24¾	..
Coll. Terminal .25+†.25		8¼	9¼	..
Do. pref. .25+†.25		8¼	9¼	..
Cons. Fire Co.	..	5	..	..
Cons. Press A	•	5¼	6¼	6
Do. B	..	1.25	1.05	1.95
Cons. Textile pref.	1.00	19	18¼	..
Corr. P. Box	1.50	29	21	25¾
Do. 5% pref.	5.00	100	98¼	..
Craig Bit. pref.	.50	9¼	9¼	10
Crain R. L.	.40	8	..	8
Cres. Cream pref.	5.00	76	70	80
Crown Cork	2.00	37	38	38
Crow's N. Coal	4.00	51	48¼	49¼
David & Fr. A	†1.00	33¼	33	34¼
Davis Leather B	.70	7¼	7¼	7¾
Disher Steel	†.50	15¾	13¼	16
Dom. Ang. I. †5.00+6.00		109¼	111	..
Do. pref.	5.00	97¾	97¼	102
Dom. Electro.	..	4.75	4.75	5.00
Dom. Fabrics 2nd pref.	1.50	29¼	26	30
Dom. Fire	6.00	140	147	..
Dom. Malting	1.00	20	22	..
Do. pref.	5.00	101¼	100	102
Dom. Square	†2.00	60	58	62
Dom. Textile pref.	7.00	175	173	..
Donnell & Mudge	▪.20	2.25	2.15	2.50
Do. A	1.00	8¾	8	10¾
East. Theat.	†3.00	27	22¼	..
Easy Washing .20+†.15		5¼	4¼	5
Empire Brass	1.00	22	21	21¾
Equitable Life	.50	10¾	10¾	11
Estabrooks pref.	1.04	19	19	20¼
Federal Fire . 2.00+†.25		50	48	..
Fibre Prod. pref.	.50	8¾	8¾	9¾
Fisher A	..	11	11	..

Stocks Not Traded This Week (Continued)

	Div. Rate $	Last sale	May 12 Bid	Ask
Do. B	..	2.12½	2.12½	3.25
Fittings	..	9	7¾	9
Do. A	.60	12¼	12¾	13¼
Flash Fast.	..	1.00	1.00	2.00
Do. pref.	1.00	13	..	12¾
Fleury Bissell	..	1.10	1.05	1.20
Do. pref.	•	9	9	15¼
For. Pr. Secs.	..	.20	.15	..
Do. pref.	..	6	6¼	10
Freiman .50+†.25		10	10	..
Do. pref.	4.50	94	92	..
Gair of Can. pref.	4.00	98	97	98¾
Gen. Products B	1.00	17½	32¼	..
Do. pref.	5.00	100	100	..
Gord. Belyea	2.50	57	51	..
Gord. Mackay B	1.00	17	..	19
Gould Pumps	1.00	65¼	..	..
Grafton & Co. A	1.00	19	..	19
Grand & Toy	.60	16¼	16	..
Gt. West Felt pf.	.50	5¾	5¾	5¾
Great West Life	20.00	440	440	..
Growers Wine	..	1.80	..	..
Guaranty Trust	.50	13	13¼	..
Hahn Brass pref. 1.00+†4.20		21¼	20¼	21¼
Hartz A	.50	10¼	9¼	9¼
Hendershot Pap.	1.00	10	10	11
Do. pref.	5.00	80	80	85
Hillcrest Coll.	..	.20	.05	.30
Holden Mfg. B	▪.20	4¼	..	..
Holt Renfrew	..	25	..	..
Do. pref.	..	105	..	..
Horner, F. W. pf.	.50	8¼	8¾	9
Hubbard Felt	▪.25	4	..	5
Do. A pref.	1.50	16	..	15¾
Humberstone S.	▪1.50	20	18¼	22¼
Hunts A	†.10	7¼	7¼	8
Do. B	†.10	7¼	7¼	8
Huron & E. Mt.	5%	124	124¾	..
Hydro-Electric	▪.20	4.05	4.05	..
Imp. Varnish pref.	1.50	31¼	31¼	..
Inter'c. Coal	†1.00	26	26	30
Do. pref.	8.00	115	114¼	..
Int. Coal & Co.	.03	.28	.22	.28
Int. Mill. pref.	4.00	104	102¼	104¾
Int. Nickel $5 pf.	▪.35	7¼	..	..
Int. Paints pref.	1.20	22	21	..
Invest. Found.	†.40	13	13	14
Do. pref.	3.00	52	50¼	53¼
Jam. Pub. Ser.	1.00	12¼	11	12¼
Journal Pub. Ot.	.80	13	..	14
Langleys	..	1.40	..	1.80
Do. pref.	†1.00	52	50	60
Lawson & Jones A	1.00	18¼	19	20
Do. B	..	10¼	10¼	..
Levy Bros.	..	4¾	5¾	..
Lindsay, C. W.	..	10¼	10	15
Do. pref.	▪4.00	110	110	115
Loew's Theatres	4.00	70	..	..
London Can. Inv.	†5.00	90	92¼	..
London Hose. .60+†.40		6	5¾	7
Do. A	.80	9	9	9¼
Mackin Steel	..	8	7¼	10
Do. pref.	5.00	90	95	..
Mailman Corp. pf.	5.00	94	..	94
Maritime Tele.	.80	17¼	16	..
Do. pref.	.70	17¼	15¼	..
McBrine	1.00	17¼	..	17¼
McCabe Grain B	.40	7	7¼	..
Mersey Paper	2.00	57	..	70
Mid. Pac. Gr.	1.00	14¾	14¾	16¼
Mitchell, J. S.	†3.25	109	100	..
Mitchell, R. 1.00+†1.00		27	..	27
Mon. Knit. 4½% pf.	4.00	90	90	91
Mon. Life 40% pd.	12%	141	136	144
Moore Corp. pf. B	▴7.00	450	450	..
Do. pref. 4%	1.00	26¾	26¾	27
Morgan, H. 4¾% pf	4.75	102	102	..
Mt. Royal Rice .50+†.10		11	11	12
Murphy Paint	.80	23	23¼	..
Nat. Hosiery A	.60	21¼	21¼	..
N. Sew. Pipe A	2.40	45	45	49
Nat. Trust	1.00	28¼	29	30
Neon Pr. of W. C.	.80	15¼	..	..
Nfld. Lt. & Pwr.	1.00	19¼	18¼	19¼
Nor. Can. Mtge.	†.50	19¼	19	..
Nor. Trusts	.80	34	..	49
N. S. L. & Pr. pref	6.00	112	111¼	..
Nuclear Ent.	†5.00	7	7	8
Ogilvie Flour pf.	7.00	165¾	..	167
Ont. Beauty Sup.	..	.60	.70	.70
Do. pref.	1.00	8	8	11
Ontario Loan	5.00	130	131¼	135
Ont. Steel pref.	7.00	135	128¼	..
Pacific Coyle	▪.30	.45	.46	..
Paton Mfg.	.80	19	10	..
People's Cr. Sec.	.25	6	6	7¼
Photo Eng. †.75+.50		27	26¼	27
Price Bros. pref.	4.00	100	100	101
R. & M. Bear. A	1.10	21	..	..
Regent Knit.	.50	20	..	..
Do. pref.	1.60	21¼	20	24
Reitman's 5% pf.	1.00	17¾	17¾	19
Reliance Grain	†8.50	15	2¼	..
Renfrew Textile	.60	5	5¼	6¼
Renold-Cov. A 1.10+.20▴▴		18	18	20
Rivers Mill B	•1.00	13¼	5	..
Robert'n P. L. 2.00+†.50		50	50¼	56
Do. pref.	2.50	44¼	49	..
Rolland Pap. pf.	4.25	80	75	100
Royal Oak D. A	.80	10¼	10¼	11
Russell Indust. pf.	7.00	605	..	..
St. Law. Flour	7.00	142	..	142
Sarnia Br. .40+▪.40		7¾	7¾	8
Scarfe & Co. A	.80	14	14	14¼
Scythes & Co. 1.00+▪.80		15¾	15	16
Do. pref.	1.25	26	24¾	..
Shirriff's pref.	1.00	20	20	..
Sidney Roof.	.90	15¼	15	..
Silknit pref.	2.00	33¼	33¼	35
Silverwoods B	†.20	7¼	7¼	7¼
Simon & Sons	1.20	18	17¼	18
Slater, N. pref.	2.12	50	49	..
Sov. Life 25% pd.	7%	48	50	..
Stand. Clay.	•.	16	8	..
Stanley Brock B	.40	5¼	5¼	6
Sterling Coal	..	10¼	..	13
Sterling Trust	6.00	121	..	..
Stovel Press pref.	.50	4.00	..	4.15
Stowell A pref.	1.50	17	16	..
Do. B	..	3	6	..
Stuart, D. A. pf .80+▪.60		16	..	18
Sun Publishing	†.25	18¼	18¼	19
Sup. Pete. ord.	†1.50	67	..	..
Do. com.	†1.50	5	..	..
Do. pref.	1.50	27¼	..	..
Tamblyn pref.	2.00	50¼	50¼	52¼
Theatre Props.	..	4	4	4¼
Tip Top Can. A	.50	9¾	9	9¾
Tip Top Tailors	.60	18¾	18¼	19¼
Tor. Elevators	.60	9¾	9¾	10
Toronto Gen. Tr.	7.00	175	173¼	..
Tor. Mortgage 5.00+†.25		108	110¼	..
Trad. Bldg. 1.00+†.25		20	20¼	..
Trad. Fin. A rts.	1.00	18	18	22
Tuckett Tob. P.	7.00	172	..	..
Un. Amuse. A	1.00	35	36¼	..
Do. B 1.00+▪.75		26	..	..
Do. A V.T.	1.00	35¼	36¼	40
Un. Distill.	†1.00	25	..	25
United Secs.	..	30	31¼	35
Wabasso Cot.	1.00	14¼	..	..
Wellington Fire	3.50	58	..	90
West. Brew. 1.60+▪.25		29¼	..	..
West. Grain pref.	..	24	29	..
West. Grocers	..	30¼	29	29¼
West Koot. pref.	7.00	172	..	..
W'minster Pap. A	.50	9	8¾	..
Willson Stat.	..	11½	11½	12
Do. pref.	5.00	97½	..	..
Wilsils	1.00	17	17	18
Wilson, J. C. .60+▪.10		10	9¾	10¼
Wool, Combing	1.60	15	14¼	14¼
Zellers 5% pref.	1.25	26¼	26¼	..
Do. 6% pref.	1.50	28¼	28¼	29

♦Plus extras. ▪Paid in 1949. *On arrears. ▴N. Y. funds. *Net after income taxes. •Dividends deferred. ♦After stock split. ‡Plus payments on arrears. ▴▴Participating div. †Paid or payable in 1950.

Mining Stocks

	Div. Rate $	Last sale	May 12 Bid	Ask
Acadia Uranium	...	.46	.45	.50
Alta.	...	.05	.06	..
Beatrice	...	.03½	.04	..
Belleterre	.20	6.00	..	6.50
Berens River	...	.33	.34	.37
Bouscadillac	...	.04½	.04¼	..
Bruce Cons.	...	.01	.00¾	.01¼
Celta Devel.	...	.04	.03	..
Coast Copper	...	.75	..	.90
Dickstone C.	...	.03	.02½	..
Flin Flon	...	.01	.01	.02
Forty-Four	...	.85	.80	.95
George Copper	...	.05	..	..
Gold Lake	...	.01	.01	.03
Great Falls	...	.02	.02½	.04
Hallnor .28+.03		3.80	3.65	4.00
Island Lake	...	.00½	.00½	..
Kerr Lake	*§.05	.30	.21	..
Kootenay B.	...	.25	..	.50
McGillivray C.	...	.05½	.05½	..
McWatters	...	.12	.10½	.12
Mentor Explor.	...	1.25	1.00	..
Nechi Cons.	...	.80	.77	..
N. Louvre	...	.04¾	.04	.07
Normandy	...	.00¾	.01	.03
North. Empire	▴.15	1.65	1.55	1.75
Packsack	...	.02	.01½	..
Parbec	...	.04½	.04½	.05
Pato Cons. G.	†.15	3.70	3.60	3.75
Quatsino	...	.05¾	.05¾	..
Quebec Gold	...	.35	.31	.40
Red Cloud	...	.01	.00¾	.02
Red Hawk	...	.03	.03	..
Renabie	...	2.50	2.35	2.70
Rice Lake	...	.01½	.01½	..
S. American G.	*†.12½	1.10	..	..
Star Lake	...	.01	.00¾	.01½
Taku	...	.10	.11	.13
Tiblemont	...	.05	.03½	.05
West Mal.	...	.09	.07	.11
—OIL STOCKS—				
Lowery	...	.75	.74	.80
Petrol Oil	†.02	.16	.15	.16
Royal Crest	...	.06½	.07	..
Texas Can.	▴‡1.85	.40	.51	..
Three Point	...	.06	.07	..
Vul. Brown	...	.25	.19	..

▴Paid or payable in 1949. §Paid in 1948. *N. Y. funds. †Payable in 1950. ‡Capital distribution.

Government Bonds

May 16, 1950

(Supplied by Investment Dealers' Assoc. of Canada)

%	Due	Bid	Ask
Victory Loans:			
3	June 1951 ...	101	101¼
3	Mar. 1954 ...	102¾	103¼
3	Nov. 1956 ...	103	103½
3	May 1957 ...	102¼	102¾
3	Jan. 1959 ...	102¾	103¼
3	June 1960 ...	102¼	103
3	Feb. 1962 ...	102¼	102¾
1½	Nov. 1950 ...	99⅞	100¼
3	Oct. 1963 ...	102¼	102¾
3	Sept. 1966 ...	102⅜	102⅞
Dom. of Can. Bonds:			
3	June 1958 ...	102¼	102¾
3¼	Feb. 1952 ...	102¼	102¾
3	June 1955 ...	100	100¼
3¼	June 1966 ...	103¾	104¼
3	Perpetual ..	†101¾	102¼
Dom. Guaranteed Bonds			
Can. Nat. Railways:			
3	Jan. 1959 ...	101¾	102¼
4½	Feb. 1956 ..	■123¼	124¾
4½	July 1957 ..	♦126	127½
5	Feb. 1954 ...	108¾	109¾
4½	June 1955 ..	■123¼	124¾
2¾	Jan. 1967 ...	98¾	99¼
2¾	Sept. 1969 ...	99¼	100¼
3	Jan. 1966 ...	101¾	102¾
Can. Nat. W. Ind. S.S.:			
5	Mar. 1955 ..	■124¾	125½
Grand Trunk Pacific Rly.:			
3	Jan. 1962 ..	■114¼	116¼
4	Jan. 1962 ..	■125¼	127¼

%	Due	Bid	Ask
Provincial Govt. Bonds			
Alberta:			
3½	June 1950/71.	100	100¼
3½	June 1950/72.	♦110	110¼
British Columbia:			
4½	Jan. 1969 ..	♦135	137
5	Sept. 1953 ...	106¼	107¾
3	Dec. 1960 ...	99⅜	100⅜
3	June 1964 ...	98¾	100¼
5	Sept. 1959 ..	♦129¼	131¼
B. C. Power Comm.:			
3	Oct. 1967 ...	98	99¼
Manitoba:			
4	Dec. 1957 ..	♦119¼	121¼
4½	Dec. 1956 ..	♦122¼	124¼
5	Dec. 1959 ..	■129¼	131¼
5½	July 1958 ...	116¼	118¼
3	Oct. 1965 ...	99¼	100¾
New Brunswick:			
4½	Apr. 1961 ..	♦122¾	124¾
2¾	June 1966 ...	89¼	91¼
3½	May 1957 ...	98¼	100¼
3½	Sept. 1965 ...	98	100
Nova Scotia:			
3½	June 1956 ...	101¾	103¼
4½	Nov. 1960 ..	♦126¾	128¾
5	Mar. 1960 ..	♦129¾	129¾
3	June 1956/58.	99¾	101¼
2¾	Sept. 1966 ...	95	97
3½	June 1963/65.	100¾	102¾

%	Due	Bid	Ask
Ontario:			
2¾	Nov. 1965/69.	95¾	97¼
3½	May 1952/55.	101¼	102¼
4	June 1962 ..	■124¼	126¼
4½	June 1950 ...	100	100¼
4½	Jan. 1962 ..	♦129¼	131¼
2¾	July 1967/77.	94	96
3	Nov. 1963/65.	100¼	101¾
5	May 1959 ..	■131¼	133¼
Ont. Hydro Commission:			
4	Aug. 1957 ..	■120¼	122¼
2¾	Oct. 1965/68.	95¼	97¼
3	Dec. 1963/65.	100	101
3	Nov. 1967/69.	99¾	100¾
Prince Edward Island:			
3½	Dec. 1961 ...	101¼	102¼
Quebec:			
3½	Mar. 1954/59.	102¾	103¾
3¾	Feb. 1952/55.	102¼	103¼
4½	Aug. 1958 ...	108¼	109¼
4½	Jan. 1963 ...	113¼	115¼
4	Nov. 1950/52.	100¼	101
3	Sept. 1962/64.	100	101¼
Quebec Hydro Commission:			
3	Feb. 1969/73.	99¼	100¾
3	Dec. 1958/60.	100¼	101¼
Saskatchewan:			
4	Nov. 1955/60.	101	102¼
5	Aug. 1958 ...	108¼	110¼
4½	Mar. 1960 ..	♦121¼	123¼
5½	Oct. 1952 ...	104¾	105¾
6	Mar. 1952 ...	104¼	106
5	Dec. 1959 ..	♦124¼	126¼
3	Mar. 1963 ...	95	96¼
3½	Nov. 1960/62.	95¾	97¾
3¾	Oct. 1962/65.	101	102¼

†Callable on or after Sept. 15, 1966.
■Payable Can., N. Y. or £.
♦Payable Can. or N. Y.

Significant Investors' Index Numbers

No. of Securities	Mach. and equip. 10	Pulp and paper 10	Milling 4	Oils 5	Textiles and clothing 10	Food and allied prod. 15	Beverages 10	Bldg. mater. 16	Power and traction 12	Banks 8	Total utilities 16	Total co's 106
*1935 to date:												
High	247.7	287.9	149.7	123.7	221.9	138.5	447.0	168.5	146.2	136.3	149.0	126.1
Low	69.7	51.6	61.2	41.2	78.4	73.3	79.3	66.7	60.2	60.0	65.2	61.1
1950: Monthly Figures:												
Jan.	231.5	286.1	90.7	82.8	235.0	123.7	351.0	169.1	114.7	143.0	124.3	119.0
Feb.	229.9	291.7	86.1	80.5	236.9	123.2	355.8	169.7	116.5	143.0	125.2	118.3
Mar.	241.5	304.9	83.3	80.3	245.7	119.1	371.7	168.9	121.9	142.9	126.8	118.7
1950: Weekly Figures:												
Apr. 6 ..	242.5	320.5	85.4	90.6	245.4	120.4	383.2	173.1	125.3	144.0	129.6	123.3
Apr. 13 ..	247.8	326.6	84.5	95.0	246.2	121.1	389.5	173.6	127.9	143.9	133.5	126.3
Apr. 20 ..	254.3	326.0	85.9	93.8	248.6	121.3	404.4	176.1	128.6	144.9	133.4	127.2
Apr. 27 ..	257.0	331.0	87.2	93.6	249.5	119.7	400.8	176.2	127.0	144.8	132.1	126.8
May 4 ..	270.3	344.2	85.9	93.8	259.6	121.4	385.8	176.5	126.6	147.6	131.8	128.0
May 11 ..	272.4	347.4	84.0	95.6	264.4	123.3	382.2	178.4	125.6	145.5	131.3	128.7

*High and low for year from 1935 to date inclusive are based on weekly figures issued by the Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indust.	20 Golds	15 B.M.	15 W.O.
May 15	231.51	97.21	119.33	70.32
May 13	232.04	98.27	119.30	70.55
May 12	231.66	97.48	119.25	70.36
May 11	232.59	96.85	119.48	71.53
May 10	233.25	98.29	118.20	71.95
May 9	231.85	99.51	118.34	72.29
Month ago ..	226.82	101.91	113.92	70.76
Year ago	170.24	97.29	87.76	51.06
1950 High ...	233.25	105.15	119.85	73.98
1950 Low ...	203.27	96.85	104.35	58.45

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Com.	10 Pprs.	15 Golds
May 15 ...	81.8	153.3	129.5	454.06	64.29
May 13 ...	82.6	153.8	130.0	454.88	64.36
May 12 ...	82.5	153.7	130.0	454.90	64.44
May 11 ...	82.7	153.5	129.8	454.58	64.75
May 10 ...	82.3	153.3	129.6	453.63	65.02
May 9 ...	82.4	151.8	128.7	452.21	64.89
Month ago	82.0	148.9	126.6	432.34	66.72
Year ago ..	72.3	119.4	103.7	290.81	65.46
1950 High .	83.1	153.8	130.0	454.90	68.87
1950 Low .	74.5	138.1	117.2	355.89	63.80

Dow-Jones Closing Stock Averages

	30 Indust.	20 Rails	15 Util.	65 Stocks
May 15	218.04	55.53	43.48	77.10
May 13	217.78	55.44	43.50	77.02
May 12	217.61	55.45	43.45	76.98
May 11	218.72	56.10	43.46	77.42
May 10	218.64	56.11	43.44	77.40
May 9	217.40	56.36	43.28	77.18
Month ago ..	212.29	56.41	43.36	76.16
Year ago	175.17	47.25	38.85	63.10
1950 High ...	218.72	56.76	43.74	77.42
1950 Low ...	196.81	52.88	40.79	71.28

Unlisted Mines, Oils

(By the Broker-Dealer Assoc. of Ontario)

Approximate quotations, 3 p.m., May 15, subject to confirmation and change. An asterisk (*) indicates an increase in price, a dagger (†) a decrease in price.

	Bid	Ask
Abenakis	3	5
Advance	†4½	4¾
Alexander	3	4
Ama Kir	6	7
Angus	51	55
Anna'que	5½	6½
Arctic	7	9
Argonaut	1½	2½
[illegible]	14½	15½
Barber N	2½	3
Beacon	..	80
Beaulieu	*3	4
Beauriv	2½	4
Bi Ore	20	25
[illegible]	16	17
Blondor	2	3
B McDade	9	11
[illegible]	†5	6
[illegible]	†7	9
[illegible]	18	..
Bright RL	2	3
Bulldog	*28	32
Burley Po	*2½	3½
[illegible]	3½	4½
Camray	*8	10
Capitain	8	10
Cassidy	2½	3½
Cent Man	5½	6
[illegible]	2	3
[illegible]	2	3
Con Chib	17	20
Con Cop	9	10
[illegible]	7	9
Cuyuni N	1½	3
[illegible]	25	30
[illegible]	*17	20
[illegible]	†3	4
[illegible]	3½	5
[illegible]	30	33
[illegible]	3½	4½
[illegible]	6	8
[illegible]	6	7
[illegible]	†13	14½
[illegible]	5	6
[illegible]	3	5
[illegible]	3½	5
[illegible]	80	90
[illegible]	3	4
[illegible]	3	4
[illegible]	*8	8½
[illegible]	7	10
[illegible]	3	5
[illegible]	30	40
[illegible]	7	8
[illegible]	*4½	5
[illegible]	3	5
[illegible]	*6	8
[illegible]	13	15
[illegible]	5	7
[illegible]	23	25
[illegible]	13	15
[illegible]	6	8
[illegible]	16	18
[illegible]	20	25
[illegible]	20	22
[illegible]	6	8
[illegible]	9	11
[illegible]	7	9
[illegible]	2½	3½
[illegible]	[illegible]	7
[illegible]	[illegible]	8
[illegible]	[illegible]	5½
[illegible]	[illegible]	6
[illegible]	[illegible]	3
[illegible]	[illegible]	7½
[illegible]	[illegible]	5
[illegible]	[illegible]	24
[illegible]	[illegible]	5½
[illegible]	[illegible]	4
[illegible]	[illegible]	3
[illegible]	[illegible]	7
Mat Con	[illegible]	42

	Bid	Ask
Mate Yel	*9½	11
McCuaig	†4	5
McManus	5	6
Metalone	6	7
Miles RL	4	6
Mindus	†19	22
Mink	2	4
Mistassini	5	8
Mohawk P	2	3
Murmac	*8½	9½
Nat New	8	9
Newcor	10	12
New Aug	†9	11
New Mal	3½	4½
Nickel L	5	7
N Offsets	115	135
Nisto	†28	32
NoAcme	*120	130
Norbeau	120	130
Norbec	9	11
Norcourt	3½	5
Norford	2	4
Normar	2½	3½
Novele P	2	4
Obalski O	6	9
do '45	26½	28
Obsk xrt	†22	25
Oklend	6	7
Olivet	*3	4
Opemiska	30	32
Ortona	6	7
Pascalis	15	18
Payne	5	7
Pelangio	3	4
Phelps	1½	2½
Presdor	1½	2½
Privateer	12	17
Quejo	4½	6
Que SR	49	53
Quest	*3	5
Rand M	*15	18
Randona	2½	3½
Raymond	1½	2½
Redruth	4	6
Redwood	5	6
Rhyolite	1½	2½
Richgroup	8	10
Russet	6	8
Salmita	8	10
Santiago	7	8
S Dufault	*6	10
Sepha	3	5
Sheldon	13	15
Silv Arro	5	7
Skynner	*2	4
Snow L	2	3
Starlight	1	3
Thornhill	1½	2½
Sunbear	3	5
Tobico	2¾	3½
Vinray	3	5
Viking	20	22
Walcoro	4	6
Wesley	1	2
West RL	3	5
Y Davids	19	20
Yelknife	260	..
do vt	200	..
OILS		
Crusader	..	25
Franco	*58	63
Garrison	175	185
Granleduc	7	11
Jupiter	*24	26
Lingnora	4	5
Major Oil	2	3
Nw Ranch	†3½	4
Pac Oil R	*6	8
Princess	†49	52
Vermilion	*21	23
West Lock	7½	9½

Commodities

	Latest week	Previous week	Same week last yr.
Cattle	$24.75	$24.64	$21.00
Hogs	26.85	26.20	29.00
Copper, lb.	.19½	.19½	.18½
Sugar, raw, lb.	.0520	.0520	.0520
Coffee, lb.	.45½	.44½	.26⅝
Hides	.24½	.23½	.25
Weekly Indices			
U. S. Labor	154.9	154.5	155.4
Dow Jones	142.55	142.13	125.19
Fisher's	163.7	162.9	164.3
Monthly Indices			
Retail (Apr.)	164.0	163.7	159.3
W'sale (Mar.)	159.3	158.0	157.6
U. S. (Jan.)	151.6	151.3	160.6
Gt. Brit. (Jan.)	244.5	241.0	221.4

Note: The base of indices is that 1926 equals 100. (Base 1935-39 equals 100. The British index is Board of Trade converted.)

Base price of quotations is as follows: Cattle — Steers, good, up to 1,000 lb., top price Toronto. Copper-electrolytic, New York. Coffee, No. 4 Santos. Rio Sugar 96 c/f New York.

Municipal Bonds

May 16, 1950

	Coup.	Matur.	Bid $	Ask $	Yld. %
Victoria	3½	'68	99	101	3.67
Vancouver	3½	'69	99¾	101¾	3.62
Calgary	3½	'69	99½	101½	3.38
Edmonton	3½	'69	99½	101½	3.38
Regina	3	'64	93	95	3.43
Moose Jaw	3	'60	95	98	3.40
Winnipeg	3	'69	98	100	3.00
Toronto	3½	'68	103	105	2.89
Toronto	3	'68	99	101	2.92
Hamilton	3	'67	98	100	3.00
Windsor	2½	'75	72	75	4.05
Windsor	2½	'75	76	79	4.05
Windsor	2½	'75	88	91	4.05
Montreal	3	'70	93	95½	3.30
Quebec	3½	'64	99	101	3.42
Halifax	3	'66	95	98	3.15
Saint John	3½	'75	99½	102½	3.29

Bond Redemptions

Bond Issues:	Rate	Year	Call	Price
Sao Paulo 50-yr. 1st mtge. bds. $374,900.	5%	1962	July 1	100

Corporation Bonds

(Supplied by Investments Dealers' Association of Canada)

May 16, 1950

Public Utility Issues:	Int. Rate %	Due	Bid	Ask.	Prev. Week Bid
▲Alg. Cen. H.B.R.	5	'59	87½	90½	87½
Bell Telephone	3	'77	98¼	101	98¼
B. C. Electric	3½	'67	96¼	99	96¼
Do.	3¾	'69	101	103½	101
Calgary Pwr.	3½	'72	98½	101	98½
East Kootenay	3¾	'67	92½	95½	92½
‡Gatineau Pwr. D	3½	'70	101	103½	101
Gt. Lakes Pwr.	4½	'69	98½	101	98½
*Int. Hydro-El.	6	'44	65½	68½	65½
L. St. Law. Pwr.	3½	'65	97½	...	97½
Maclaren-Quebec Power	3	'69	97	100	97
Mtl. Trams. B	5	'55	98	101	98
Nat. Lt. & Pwr.	4½	'61	100	...	100
North. Que. Pr.	4½	'67	99¼	102	99¼
Power Corp.	3½	'67	97	...	97
Quebec Power	3	'62	98¼	101	98¼
St. Maurice Pr.	3½	'70	99¼	102	99¼
Shaw. W. & Pr.	3	'61	99	101½	99
Do.	3	'71	98	100½	98
Do.	3½	'73	102	104½	102
Union Gas	4½	'50	100	103	100
Un. Fuel Invest.	4	'59	102	105	102
United Secs.	3	'52	99¼	...	99¼
Wpg. Electric	3¾	'71	102	104½	102
Industrial Issues:					
Abitibi Pr. P.	3½	'67	101½	104	101½
Acadia-Altantic Sugar	3¾	'65	101½	...	101½
Aluminum Co.	3½	'74	102	104½	102
Bathurst P. & P.	3¾	'68	99¼	...	99¼
B. C. For. Prod.	4	'66	95¼	98¼	95¼
B. C. Pulp. & P.	3½	'67	96	99	96
Bowater's Nfld. P. & P.	3½	'68	97	...	97
Brompton Pulp & Paper	3½	'66	94¼	97¼	94¼
†Brown Co.	5	'59	106¼	109¼	106
Burns & Co.	4	'63	98¼	101	98¼
Can. Steamship	3½	'57	99¼	102	99¼
Do.	4	'66	99	102½	99
Can. Bread	4½	'67	99	101½	99
Can. Brew.	3½	'67	95	98	95
Can. Celanese	3	'62	98¼	101½	98¼
Can. Oil	3½	'62	99	101½	99
Can. West. Lum.	4	'62	101	103½	101
C.P.R.	3½	'51	100¼	...	100¼
Do.	4	Perp.	118	...	118
Cockshutt Plow Co.	4½	'65	102	104½	102
Columbia Cell.	5	'68	101½	104	101½
Consol. Paper.	3½	'67	101½	104	101½
Dom. Coal	4½	'52	100¼	...	100¼
Dom. Tar & Ch.	3½	'57	101½	...	101½
Dom. Textile	3½	'59	101½	...	101½
Dom. Woolens	5	'64	95	98	94
Dryden Paper	4	'61	99	...	99
E. B. Eddy	3½	'66	100	102½	100
Do.	4	'66	102	...	102
English Elec.	4	'67	95¼	...	95¼
Federal Grain	4	'64	99	102	99
Gt. Lakes Pap.	3½	'67	100¼	...	100¼
Imp. Tobacco	2¾	'66	97	...	97
Indust. Accept.	4	'69	99	101½	99
Lake St. J. P.	5	'61	101½	...	101½
Laurentian Silk	4½	'67	99¼	102	99¼
MacMillan (H.R.) Ex.	4	'65	101	...	101
Maple L. M.	3¾	'63	97	100	97
Massey-Harris	3	'66	97	...	97
Do.	4¾	'63	103½	106	103½
McColl-Front.	4	'71	97	...	97
Mercury Mills	4	'63	99	...	99
Mon. Knitting	4	'66	96¼	99¼	96¼
N. S. Steel Coal	3½	'63	98¼	101½	98¼
Penman's	3½	'66	99¼	...	99¼
Price Bros.	3½	'66	101	103½	101
Silv. Dairies	4	'60-64	99¼	102	99¼
Do.	4	'71	94	97	94
Simpsons Ltd.	3½	'60	101½	104	101½
Steel Co. of Can.	2¾	'67	96¼	99¼	96¼
Tor. Elevators	3½	'66	99¼	...	99¼
Traders Fin.	4	'65	109	112	109
United Corp.	4	'58	100¼	...	100¼
United Steel	4	'60	99	...	99
Un. Grain Gr.	4	'63	100	...	100
†Western Grain	5	'63	89	...	89
York Knit. Mills	3½	'71	90	94	90

*Payable in Canada or United States.
‡Payable in Canada only.
▲Payable in Canada or U. K.
†Payable in Canada, U. S. or U. K.

Record of Financing

Sales by Municipalities, Provincial and Dominion Government. Offerings of Corporation and Foreign Securities

DOMINION

Government of Canada Treasury Bills — Due Aug. 4, 1950, $75,000,000. Issued May 4, 1950. Sold at $99.87233 to yield .513%.

MUNICIPAL

Town of Timmins, Ont. — 3½% debentures, due May 1, 1951-60-65, $226,500. Issued May 5, 1950. Sold at $100.18, cost basis 3.47% to Anderson & Co. and Imperial Bank.

Catholic School Commission of Town of Malartic, Que. — 3% and 3½ debentures, due Apr. 1, 1951-60-70, $180,000. Issued May 1, 1950. Sold at $98.85 by J. F. Simard & Co.

Magrath Municipal Hospital, Dist. No. 29, Magrath, Alta.—4½% debentures, due May 1, 1951-70, $85,000. Issued May 2, 1950. Sold at $103,656 by Sydie, Sutherland & Driscoll Ltd.

City of Cranbrook, B.C. — 3½% debentures, due Apr. 1, 1951-70, $25,000. Issued May 3, 1950. Sold at $100.934 by A. E. Ames & Co.

COMMON

Kop Beverages—200,000 common shares (no par value), offered at 60c per share by Kop Beverages Ltd.

Investment Trust

	Bid	Ask.
Affiliated Funds	4.42	4.79
Can. Invest. Trust	4.50	5.25
Can. Invest. Fund	5.15	5.65
Can. Invest. Corp.	11.28	12.00
Corporate Invest.	9.19	9.93
Comonwealth Int.	3.91	4.31
Trans-Canada	14.75 ex. div.	
Do. B	15.10-16.15	
Leverage Fund	2.88	3.16

Market Comment

What stocks and bonds are doing and what prominent observers say

At midweek, New York markets were surging on to new high levels on the crest of a renewed wave of bullish sentiment regarding 1950 business prospects. Settlement of the U. S. rail firemens strike was aiding the buoyant tone. The U. S. market pulled a rather unwilling Canadian industrial market along in spite of itself. Canadian paper, steel and base metal issues were showing greatest willingness to follow New York's lead.

Investors this week saw the long-awaited announcement of the Government of Canada's 1950 refunding loan as adding further fuel to the bullish fire. The 2¾% interest rate, which will likely set the pattern for bond rates over the next few months is bound to look increasingly unattractive in the face of the 6% to 9% yields on many well-established common stocks. And unlike other Government bond issues, this new loan will not represent potential investment money withdrawn from the investment market since it is a refunding loan. It seems now that the downward trend in bond prices evident for some time in the U. S. must soon reflect itself here.

The mines promotional market continues to hold the limelight on Canadian exchanges with deal after deal completed or in negotiation stages. Promoters are finding considerable public participation in current markets and this no doubt is a big factor behind the substantial sums being put up for financing purposes.

* * *

R. B. DUGGAN: Amos Christie & Co. (Toronto)

After an advance of almost 10 months, it becomes increasingly difficult to predict the future of the market. However, in view of the fact that business continues good, especially in the heavy industries and building trades, it is evident that the market is not finished yet. It must nevertheless be borne in mind that a bull market does not last forever. Caution must be exercised at this time.

Under these circumstances I only favor steel stocks, building securities and the paper group. Also it seems to me that International Petroleum should do much better in view of its excellent annual statement

* * *

HUGH MACKAY & CO. (Saint John, N.B.)

With the recovery on the business front becoming increasingly evident, confidence in the market outlook is broadening out. The immediate months ahead may see business reach up to equal the postwar high level made in the fall of 1948. Many of the forecasts at the start of the year predicted slightly lower business and profits for 1950. These estimates are now being revised upwards. So, too, we suggest that the holder of equities should raise his sights

Nearly all the normal yardsticks for judging market values indicate that stocks are still relatively cheap in relation to other phases of our economy. Although no market goes in a straight line and is always subject to corrective setbacks, we are inclined to suggest that "intermediate" reactions on the downside are apt to be so selective that the investor may lose his "long term" position if he places too much emphasis on trying to catch secondary reactions. Instead, we believe the emphasis should be on trying to make sure one's money is invested in those situations which look to have the best opportunity to share in the capital growth of the country.

* * *

BARRON'S: The Trader (New York)

In the motor, paper and rayon industries . . . inventories are actually embarrassingly low. As the over-all figures reveal, manufacturing inventories made no gain at all while the brilliant first-quarter corporate earnings were being achieved. At the same time, commercial, industrial and agricultural loans in the first three months were falling by over $100 million. The combination of static inventories and lowered borrowings is one that generates no credit tensions, but permits a flow of increased dividends from mounting profits. The quality and trend of earnings in the first and second quarters are the best kind of assurance of higher stock prices.

* * *

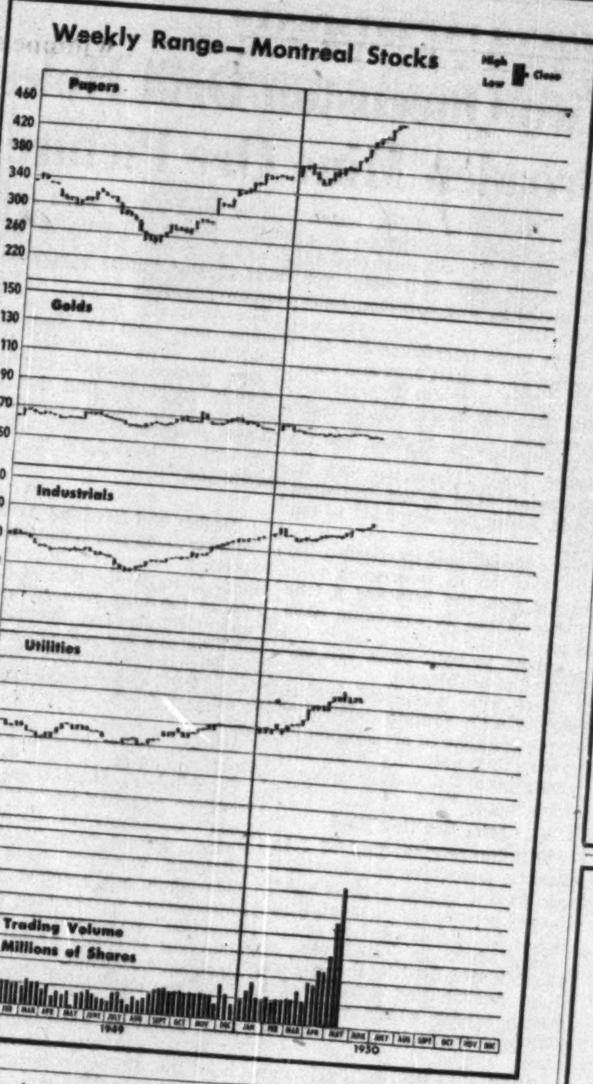
Dividends Declared

	This payment $	Date payable	Date of record
Acadia-Atlantic Sugar A	.25+.70	July 3	June 9
Do. 5% pfd.	1.25	June 15	May 19
Agnew Surpass	.15	June 1	May 3
Alta. Pac. Cons. Oils	.02	June 10	May 10
Aluminium	.60	June 5	May 5
Aluminum Co. pfd.	.25	June 1	May 3
Andian Nat. Corp.	.20	June 1	May 16
Anglo-Candn. Tele.	.15	June 1	May 10
Anglo-Nfld. Devel.	1.00	July 7	May 31
Argus Corp.	.15	June 1	Apr. 28
Do. pfd.	1.12½	June 1	Apr. 28
Asbestos	.30+.10	June 30	June 8
J. H. Ashdown A	.15	July 1	June 10
Associated Tele. & Tel. pf.	†1.50	July 1	June 1
Do. 7% 1st pf.	†1.75	July 1	June 1
Aunor G. M.	.06	June 1	May 10
Auto Electric com.	.10	June 15	May 19
Do. A	.12½	June 15	May 19
Bank of Montreal	.25	June 1	Apr. 29
Bank of Toronto	.35	June 1	May 15
Banque Can. Nat.	.20	June 1	May 15
Barber-Ellis	.62½	June 15	May 3
Bathurst Pwr. A	.50	June 1	May 3
Beaver Lumber A	.25	July 3	June 10
Do. pfd	.35	July 3	June 10
Belding Cort. com.	1.50	July 3	May 31
Do. pref.	1.75	July 3	May 31
Bickle-Seagrave	.05	May 22	May 5
Borden Co.	†.60	June 1	May 11
Brantford Cord. A	.25	June 1	May 4
Brazilian Tr.	1.00	June 15	May 10
B. A. Oil	.25	July 3	June 7
Do. pfd	.234375	July 3	June 7
B. C. Forest	.15	Aug. 1	June 30
Brown pref.	1.50	Coup. 6-xc-	July 31
Bruck Mills Ltd. A	.30	June 1	May 11
Do. B	.07½+.07½	June 15	May 15
Bulolo Gold	.50	June 15	May 15
Burns Co. A & B	.50	June 12	May 19
Do. A & B	.40	July 28	July 7
Burrard A	.40	Oct. 28	Oct. 7
Can. Cement	.11	June 15	May 27
Can. Crushed Stone	[illegible]	June 20	May 19
Can. Dom. Sugar	.25	June 20	June 1
Can. Flooring A	.25	June 1	May 10
Can. Fdry. A	.37½	June 1	May 15
Can. Malting	.50	June 15	May 29
[illegible]	[illegible]	June 15	May 15
Can. Safeway pfd.	1.12½	Coup. 90-xc-	June 14
Can. Vinegars Ltd.	.20	June 1	May 15
C. Wire & Cable A	1.00	June 15	May 31
Do. B	.50	June 15	May 31
Can. Breweries	.50	July 1	May 31
Can. Car & Fdry.	.25	May 22	May 2
Do. A	.20	May 22	May 2
Candn. Cottons	.70	July 3	June 2
Do. pref.	.30	July 3	June 2
Can. Dredge	.70	June 15	May 15
Do.	.70	Dec. 15	Nov. 15
Candn. Fairbanks	.50	June 1	May 15
Can. Food Prod. A	.25	July 3	May 31
Do. pref.	1.12½	July 3	May 31
Can. For. Inv.	.50	July 3	June 1
Can. Gen. Elec.	2.00	July 1	June 15
Can. Ind. Alco. A	.25	June 5	May 5
Do. B	.25	June 5	May 5
Candn. Ice Mach. A	.20	July 1	June 14
Candn. Ing.-Rand	1.00	June 28	June 14
Can. Int. Invest. pf.	3.75	June 1	May 16
Candn. Malartic	.02	June 15	May 31
C. Refractories pf.	1.12½	July 15	June 29
Candn. Tire	.30+.50	June 1	May 19
Can. West. Lumber	.10	July 15	June 17
Do	.10	Oct. 16	Sep. 18
Can. W. Natl. Gas	.20	June 1	May 15
Catelli Food Pr. com.	1.00	May 31	May 15
Celtic Knit.	.50	July 31	July 15
Cockshutt Plow	.35	June 1	May 1
Do.	.35	Sep. 1	Aug. 1
Do.	.35	Dec. 1	Nov. 1
Confed. Life	2.00	June 15	June 10
Do.	2.00	Sep. 15	Sep. 10
Do.	2.00	Dec. 15	Dec. 10
Cons. Litho.	.50	June 30	May 29
Cons. Text	.20	June 1	May 15
Do. pfd	.50	June 1	May 15
Consol. Theatres	.12	June 1	May 1
Cons. Glass com.	.37½	May 31	Apr. 28
Corr. Paper Box	.37½	June 1	May 12
Do. pref.	1.25	June 1	May 12
Crow's Nest P. Coal	2.00	June 2	May 8
Davis Leather A	.37½	June 1	May 1
Do. B	.17½	June 1	May 1
Dome M.	.17½	July 31	June 30
Dom. & Anglo. I. pf.	1.25	June 15	May 15
Dom Bridge	.40	May 23	Apr. 28
Dom. Scot. Inv.	.62½+1.50	May 26	May 11
Dom. Stores	.37½	June 15	May 18
Dom. Tar & Chem.	.25	Aug. 1	July 3
Do. pfd.	.25	July 3	June 1
Donnacona Pap. pf.	1.12½	Aug. 15	July 14
Donohue Bros.	.25+.50	June 1	May 12
East Sull. M.	*.15	May 25	Apr. 25
Eddy Paper A	.25	June 15	May 16
Electrolux	†.40	June 15	May 15
Empire Brass A	.25	July 15	June 30
Do.	.25	Oct. 14	Sep. 29
Enamel & Heat.	.50	July 31	June 30
Falconbridge Nick.	.15	June 6	May 12
Fed. Fire Ins.	1.00	Aug. 15	Aug. 11
Fittings A	.30	July 1	June 6
Ford Motor A	.50	June 2	May 5
Do. B	.50	June 2	May 5
A. J. Freiman	‡.25	June 1	May 15
Gair of Can. pf.	1.00	June 1	May 13
Globe Oil	.02	June 1	May 15
G. Mackay & St. A	.12½	June 15	May 15
Do. B	.25	June 15	May 15
Grafton & Co. A	.25	June 15	May 25
Do	.25	Sep. 15	Aug. 25
Do.	.25	Dec. 15	Nov. 25
Granby Consol. Ltd.	†.50	June 1	May 12
Gt. West Felt pf.	.12½	July 1	June 16
Gypsum, Lime A	.35	June 1	May 1
Do.	.35	Sep. 1	Aug. 1
Do.	.35	Dec. 1	Nov. 1
Hallnor M.	.10	June 1	May 10
Hamilton Cot.	.25	June 1	May 10
Hinde & Dauch	.25	July 3	May 31
Home Oil	.25	June 15	May 15
Hudson Bay M. & S.	1.00	June 12	May 15
Huron & Erie	1.25	July 3	June 15
Do. 20% pd.	.25	July 3	June 15
Hydro-Elec. Sec. Corp. B	.25	Aug. 1	June 30
Imperial Oil	.25	June 1	May 15
		Coup. 74-xc-	May 31
Imp. Tobacco	.12½	June 30	May 19
Imp. Varnish Co.	.25	June 1	May 19
Do. pref.	.37½	June 1	May 19
Int. Bronze Pwds. pf	.37½	July 15	June 14
Int. Metal Ind. A & B	.50	July 3	June 9
Do. pfd.	1.12½	July 3	June 9
Intl. Nickel	†.40	June 20	May 23
Intl. Paints pf.	.60	June 15	May 26
Intl. Paper	†.62½	June 6	May 26
Do. pf.	†1.00	June 26	May 26
Inter. Petroleums	.25	June 1	May 16
		Coup. 73-xc-	June 1
Int. Utilities	†.25	June 1	May 10
Kelvinator	.75	June 20	June 1
Kerr-Addison G. M.	.20	June 28	May 31
John Labatt	.25	July 3	June 15
Lake of the Woods	.40	June 1	May 3
Do. pref.	1.75	June 1	May 3
Lake Shore M.	.20	June 15	May 15
Lamaque Gold	.12	June 1	Apr. 19
J. A. Lang	.25	July 1	June 10
Laura Secord	.20	June 1	May 1
Leverage Fund	.03	June 15	May 31
Lewis Bros	.15	May 31	May 10
Do.	.15	July 31	June 30
Loblaw Groc. Inc.	†.25	June 1	May 5
Loblaws A & B	.25+.12½	June 1	May 3
W. M. Lowney	.25	July 15	June 15
Macassa M.	.03	June 15	May 15
Maclaren Pr. & Pap.	.50	May 31	May 6
Madsen R. L.	.05	June 15	May 15
Massey-Harris	.37½	June 15	May 20
Maxwell Ltd.	.12½	June 1	May 19
L. McBrine	.50	July 1	June 14
McCarthy Mill A	.27½	July 3	June 5
Do. B	.07½	July 3	June 5
McColl-Front.	.25	July 15	May 15
McIntyre Porc.	.50½	June 1	May 1
Mid. & Pac. Gr.	.50	Aug. 1	July 15
Mining Corp.	.15	June 30	May 31
J. S. Mitchell	1.25	July 3	June 15
Robt. Mitchell	.50	June 15	May 15
Do	.30	Dec. 15	Nov. 15
Modern Contain.	.50+.25	June 2	May 20
Molsons A	.20	June 22	May 22
Do. B	.20	June 22	May 22
H. Morgan & Co. pf.	1.18	June 1	May 15
Mt. Royal Metal Co.	.15	July 2	June 15
Natl. Biscuit Co.	.50	July 14	June 6
Do. pref.	1.75	May 31	May 9
Nat. Brew.	.50	July 3	June 9
Do. pref.	.44	July 3	June 9
Nat. Drug & Chem.	.12½	June 1	May 12
Do. pref.	.15	June 1	May 12
Nat. Grocers	.15+.20	July 1	June 15
Do. pf.	.37½	July 1	June 15
Nat. Hose. Mills A	.15	July 1	June 2
Do.	.15	Oct. 1	Sep. 1
Do.	.13	Jan. 2	Dec. 1
Do. B	.40	July 1	June 2

Dividends Declared (con't.)

Wm. Neilson pfd.	1.25	June 1	May 10
New Calumet	.03	May 19	May 11
Nfld. Lt. & Pwr.	.25	June 1	May 10
Noranda M.	1.00	June 15	May 12
Normetal M.	.09	June 30	May 31
N.S. Lt. & Pr. 6% pf.	1.50	June 1	May 6
Do. 4½% pf.	1.13	June 1	May 6
Do. 4% pf.	1.00	June 1	May 6
Ogilvie Flour	.25	July 3	May 23
Do. ptd.	1.75	June 1	Apr. 28
Pato Cons.	.15	May 31	May 9
Paton Mfg. Co.	.20	June 15	May 31
Do. pref	.35	June 15	May 31
Pickle Crow G.M.	.10	June 30	May 31
Placer Development	.25	June 16	May 25
Powell River	.50+1.50	June 15	May 23
		Coup. 22-xc-	June 14
Powell Rouyn G. M.	.03	May 18	May 10
Power Corp.	.50	June 30	May 31
Pressed Met.	.25	June 1	May 10
Do.	■1 sh.	June 20	May 20
Do.	.25	Sep. 1	Aug. 10
Do.	.25	Dec. 1	Nov. 10
Price Bros. pf.	2.00	July 1	June 5
Proprietary M.	.20	June 28	May 31
Provincial Trans.	.40	Aug. 15	Aug. 1
Do. ext.	.20	June 1	May 15
Que. Power	.25	May 25	Apr. 15
Regent Knit. pfd.	.40	June 1	May 15
Do.	.40	Sep. 1	Aug. 15
Do.	.40	Dec. 1	Nov. 15
Remington Rand	.25	July 1	June 9
Do. pfd.	1.12½	July 1	June 9
Renold Cov.	.28+.05	July 3	June 15
Do.	.27+.05	Oct. 2	Sep. 16
Robinson Little com.	.20	June 30	June 15
Do. A	.25	June 1	May 15
Rolland Pap. pfd.	1.06½	June 15	June 1
Royal Bank	.25	June 1	Apr. 29
Royalite Oil	.06½	June 1	May 13
St. Law. Pap. 1st pf.	1.50	July 25	July 4
Do. 2nd pfd.	.60	July 25	July 4
Saguenay Pwr.	1.06	July 1	June 7
Scythes	.25	June 1	May 15
Do. pref.	.31¼	June 1	May 15
Shawinigan W. & P.	.30	May 25	Apr. 15
Do. A pf.	.50	July 2	June 2
Do. B pf.	.56¼	July 2	June 2
Sherwin Williams pf	1.75	July 3	June 9
Sicks Brewery	.30	June 30	May 23
Do. V.T.	.30	June 30	May 23
Sigma Mines	.25	July 29	June 28
H. Simon & Sons	.30	June 1	May 9
Do. pfd	1.25	June 1	May 9
Simpson's pfd.	1.12½	June 15	May 15
South Am. G. & Pl.	.12½	May 29	May 15
Stand. Chem.	.12½	June 1	Apr. 28
Do. pfd.	1.25	June 1	Apr. 28
Stand. Oil (N.J.)	†1.00	June 12	May 11
Stedman	.20	July 3	June 15
Stowell Screw A	.75	June 1	Apr. 30
D. A. Stuart Oil pf.	.20	June 1	May 15
Sullivan Cons.	.10	May 26	Apr. 26
Sylvanite Gold M.	.04	July 1	May 16
Tay. Pear. & Car.	.20	July 3	Mar. 1
Do. pf.	.12½	June 1	May 19
Teck-Hughes	.05	June 1	Apr. 19
Thrift Stores	.30	July 1	June 15
Un. Amuse. A	.50	May 31	May 15
Do. B	.50	May 31	May 15
United Corp. B	.25+.05	May 31	Apr. 29
United Steel Corp.	.15	June 30	June 15
Upper Can. M.	.02½	June 2	May 12
Viceroy Mfg.	.20	June 15	June 1
Virginia Dare pf.	.31¼	June 1	May 20
Waite Amulet	.25	June 10	May 10
H. Walker-Good.	.60	June 15	May 22
Westeel Products	.75	June 15	May 22
West Can. Brew.	.25	June 1	Apr. 29
Do.	.25	Sep. 1	July 31
Western Assur. pfd.	1.20	July 3	June 29
Weston, Geo. pf.	1.12½	June 1	May 13
Wilsil Ltd.	.25	July 3	June 1
Winnipeg Electric	.75	June 30	May 15
Do. pref.	2.50	June 30	May 15
Wright-Hargreaves	.04	July 3	May 26
York Knitting A	.20	June 30	June 15

■1 sh. for each 20 shs. held. *Initial. ‡Extra.
†American funds.



New Highs and Lows

During the week ended May 13, 64 new highs were recorded among the general stocks on Canadian stock exchanges and 15 new lows. In the mining group there were 70 new highs and 13 new lows. In the western oil group there were 27 new highs and no new lows.

GENERAL

New Highs—1950

- Aluminium
- Asbestos Corp.
- Ashdown Hrdwe.
- Banque Can. Nat.
- Bank of Toronto
- Bathurst Pwr. A
- Blue Ribbon pf.
- Brant. Cord. B new
- Canada Packers B
- Can. Perm. Mtge.
- Canada Starch
- Canada S/S
- Candn. Bk. Comm.
- Candn. Celanese
- Candn. Fairbanks
- Can. Food Prod. p.
- Candn. Ind.
- Candn. Loco.
- Candn. W. Lumber
- Cons. Div. Sec. pf.
- Cons. M. & Smelt.
- Cons. Glass
- Disher Steel pf.
- Dom. Bridge
- Dom. Fabrics
- Dom. Foundries
- Dom. Scot. Inv.
- Donnacona Paper
- Economic Inv.
- Eddy Paper
- Fairchild Aircraft
- Ford Motor A
- Do. B
- Fraser Companies
- Gatineau Pr. 5% pf.
- Great Lakes Paper
- Do. A
- Huron & Erie Mtge. 20% pd.
- Imperial Varnish
- John Inglis
- Int. Paper pf.
- Jamaica P. Service
- Loblaw A
- Do. B
- MacMillan A
- Massey-Harris
- Milton Brick
- Monarch Mtge.
- Wm. Neilson 5% pf.
- Powell River
- Power Corp. 1st pf.
- Do. 2nd pf.
- Quebec Power
- Robinson, Little A
- St. Law. Pap. 1 pf.
- Shawinigan 4½% pf.
- Silverw'd Dairy A
- Stedman's
- Steel of Can. new
- Do. pf. new
- Thrift Stores
- Toronto Iron A
- Western Grain
- Weston, Geo.

New Lows—1950

- Bathurst Pwr. B
- Can. Bread B pf.
- Canada Cement
- Com. Alcohol
- Dom. Tar & Chem.
- Dom. Woollens
- East Steel
- Harding Carpets
- J. A. Lang
- North Star Oil
- Purity Flour M. pf.
- Riverside Silk A
- Simon & Sons 5% p
- Taylor, Pearson & Carson 5% pf.
- Waterous Ltd.

MINING

New Highs—1950

- Akaitcho
- Anacon Lead
- Area
- Ascot Metals
- Bonville
- Bordulac
- Brazil Gold
- Broulan
- Buffalo Canadian
- Buffalo Red Lake
- Callinan Flin Flon
- Canusa
- Century
- Chimo Gold
- Cons. Beattie
- Cons. Central Cad.
- Cons. Duquesne
- Conwest
- Discovery
- Dulama
- Elder
- Formaque
- Frobisher
- Golconda
- Grandview
- Gulf Lead
- Halcrow
- Halliwell Gold
- Hard Rock
- Harricana
- Hugh Malartic
- Kayrand
- Keyboycon
- Lake Osu
- Lake Wasa
- Lingside
- Lynx Yellowknife
- Macdonald
- Marcus Gold
- McLellan Gold
- Mylamaque
- New Calumet
- Newlund
- New Marlon
- Newnorth
- New Norzone
- New Thurbois
- Normetal
- Norpick
- Orlac Red Lake
- Pacific East
- Pend Oreille
- Pitt Gold
- Placer Dev.
- Prospectors Air.
- Quebec Y'knife
- Red Crest
- Ryanor
- Senator Rouyn
- Shawkey
- Silver Standard
- Siscoe
- Soma-Duvernay
- Thompson
- Tombill
- United Keno Hill
- Villbona
- Wingait
- Winora

New Lows—1950

- Buffalo Ankerite
- Bulolo Gold
- Golconda
- Graham Bousquet
- Kerr Lake
- Little Long Lac
- McIntyre Porc.
- New Jason
- New Norseman
- Starratt Olsen
- Sylvanite
- Taylor Bridge
- Wendell Min. Pro.

OILS

New Highs—1950

- Acme
- Alta. Pac. Cons.
- Anaconda
- Br. Dominion
- Calmont
- Commonwealth
- Cont. of Canada
- Decalta
- Del Rio
- Federated Pet.
- Flank Pet.
- Gen. Pet. A
- Grease Creek
- Hanna
- Highwood Sarcee
- McDougall-Segur
- Mid-Continent
- Mill City
- New Ranchmen
- North Continental
- Pan Western
- Royal Canadian
- Share Oils
- Superior
- Turner Valley
- Vanalta
- Warner

BULOLO GOLD DREDGING reports production of 15,387 oz. gold ($538,545) in the three months ended Feb. 28, 1950, from 3,022,000 yd. dredged, for a value per yard of 17.82c. This compares with 14,254 oz. ($498,890) from 2,370,715 yd., a value of 21.04c a yard, in the same quarter a year ago. For the nine months ended Feb. 28, production totaled $1,968,645 ($1,828,225). Salvaging of No. 5 dredge is progressing "satisfactorily."

Company Meetings

1950	Company	Place
May 20	Intl. Petroleum	Toronto
May 22	H. R. MacMillan	Vancouver
May 23	Cred. Fonc. Franco-Can.	Paris, France
May 23	New Thurbois	Toronto
May 23	Tip Top Tailors	Toronto
May 25	Candn. Tire	Toronto
May 25	Francoeur Gold M.	Montreal
May 25	Lake Wasa	Montreal
May 25	Tawagmac	Montreal
May 26	Southmount	Ottawa
May 29	Gods Lake	Winnipeg
May 29	Wekusko	Marboro
June 6	Cons. Duquesne	Destor Twp, P.Q.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

CONSOLIDATED HOWEY GOLD MINES reports that net value of the company's capital assets at the year-end amounted to $2,025,603, or slightly more than $1.00 a share, on each of the company's two million shares.

During the year, states President R. T. Birks a very interesting discovery was made in the north zone of the Malartic break on the Barnat property. This discovery "may open up new possibilities on East Malartic and East Amphi," in both of which Consolidated Howey has sizeable holdings.

The company's holdings remain substantially the same as reported at the special meeting Nov. 14, 1949.

INCOME ACCOUNT

Years Ended Dec. 31:	1949	■1948
Dividends	$45,942	$42,696
Misc. income	6,480	6,587
Total income	52,422	49,283
Less: Gen. exp.	28,864	32,007
Net profit	23,558	17,276
Less: Dividends■	60,000	......
Surplus for year	*36,442	17,276
*Deficit.		
■Previous company, Howey Gold Mines.		
Earned per Share	$0.012	†$0.009
Paid (old)	0.012	nil

†On basis of present capitalization.

CONDENSED BALANCE SHEET

As at Dec. 31:	1949	■1948
Cash	$170,505	$120,895
Mkt. securities*	1,545,655	1,772,941
Accounts rec.	1,188	1,281
Total curr. assets	1,717,348	1,895,117
Other mng. invest.	......	318
Mining claims	1	1
Plant & equip.	1	1
Total assets	1,717,350	1,895,437
Accts., etc., pay.	1,489	257
Divds. pay. & uncl.	64,843	5,970
Total curr. liab.	66,332	6,227
Balance due Howey G. M. L.	300,000	......
Capital stock	2,000,000	5,000,000
Less: Cap. deficit†	649,255	3,275,444
Surplus	273	164,654
*Market value	2,220,243	2,279,993

†In 1949, consists of $3,147,504 nonprod. properties plus $500,000 repayment of 10c per sh. of Howey Gold and $1,751 reorg. exp., less $3,000,000 cancellation of 3,000,000 shs. Howey Gold; in 1948, nonprod. props.
■Previous company, Howey Gold Mines, Ltd.

Working capital	1,651,016	1,888,890

CONSOLIDATED DUQUESNE MINING CO., which started production June 1, 1949, reports a 1949 net profit of $41,677 or 1.5c a share. Gross production for the year, including cost-aid, amounted to $311,016, from 24,147 dry tons of ore handled. Gross recovery was .2458 oz. per ton ($9.46 at $38.50 an oz.) and with cost-aid totaled $12.88 a ton.

Because all the company's air capacity was needed for production, development work was drastically curtailed from June 1 on. Thus the ore reserves were steadily depleted. With the complete electrification of the mine, however, more development work will be possible and an extensive program of diamond drilling is planned. President C. G. Hunter states that a contract for power has been entered into with Quebec Hydro-Electric Commission, and estimates that electrification should reduce operating costs materially.

INCOME ACCOUNT

Year Ended Dec. 31:	1949
Prod.*	$216,051
Add: Cost-Aid	94,963
Less: Expd.*	269,339
Net profit	41,677
Earned per Share	$0.015
None paid.	

*Period June 1 to Dec. 31, 1949.

CONDENSED BALANCE SHEET

As at Dec. 31:	1949	1948
Cash	$105,556	$65,549
Accts. rec.	21,835	1,153
Cost-Aid assist.	42,743	......
Materials & supplies	20,635	16,553
Total curr. assets	190,769	83,255
Prep. exp., etc.	6,623	440
Invests. in mining shs.	69,798	44,790
Devel. exp.	1,028,635	942,139
Mining cls.	198,411	198,411
Bldgs. & equip.	169,184	113,245
Total assets	1,663,420	1,382,280
Total curr. liabs.	26,721	14,532
Capital stock	1,595,022	1,367,748
Earned surplus	41,677	......
Working capital	164,048	68,723

OPERATING STATISTICS

	1949
Tons milled	24,147
Aver. recov.	$8.95

CREDIT FONCIER FRANCO-CANADIEN earned a net profit of $729,884 in 1949, down 4.6% from 1948. Liabilities to the public at Dec. 31, 1949 totaled $30,215,878 ($30,470,184 at the end of 1948) and were secured chiefly by mortgages of $44,066,092 ($39,687,594) and liquid assets of $7,368,633 ($10,407,759).

	1949 $	1948 $
Liabs. to public, etc.*	30,215,878	30,470,184
Shareholders' equity	22,712,465	21,616,709
*Secured by:		
Mortgages	44,066,092	39,687,594
Realty for sale	1,182,117	1,653,039
Office premises	311,501	338,501
Liquid assets‡	7,368,633	10,407,759
Total	52,928,343	52,086,893
‡Incl. bonds and stocks.		
Net profit	729,884	764,806
Earned per Share‡	$6.93	$7.27

‡After deducting 5% statutory reserve.

TOWAGMAC EXPLORATION CO. shareholders, at a special general meeting May 25, will consider increasing the capital of the company from two million to three million shares "to obtain finances to carry on the future activities of the company." Current assets at Dec. 31, 1949 totaled $31,926, against current liabilities of $1,932.

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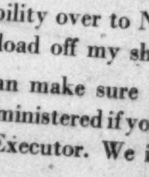

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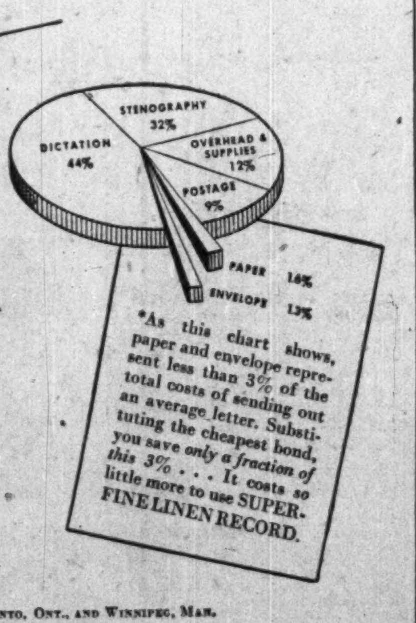

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MINING INVESTMENTS

Two Queenston Drill Holes Broaden Mine Ore Picture

Queenston Gold Mines, which is readying for construction of a 500-ton mill this summer, reports two of the best drill holes yet completed at this Kirkland Lake operation.

Both holes intersected the Q-1 zone of No. 4 shaft area and tend to confirm previous impressions that this will be a large tonnage operation.

One drill hole put out at the 400-ft. level intersected 49.4 ft. averaging $7.21 a ton including 28 ft. which ran about $11 to the ton.

The second hole intersected the ore zone on its downward rake to the east and returned a true width of 91.7 ft. averaging $8.93 a ton.

Values in both cases are calculated at $38.50 gold.

Holes were completed in connection with routine delineation of the ore zone in preparation for stoping but naturally were very pleasing to the management.

* * *

John Beattie's Find

Will the original find of John Beattie, discoverer of Consolidated Beattie, make a gold mine? A new program of diamond drilling is being launched to see.

Located on an island west of Consolidated Beattie, the original John Beattie find consists of a trench where quartz veins and stringers occur in a carbonated zone.

Work in the original area didn't prove too encouraging but a drill hole put down within the last year 200 ft. to the east gave 2.43 oz. gold over 3.0 ft. To the east of that 50 ft., a hole gave 0.75 oz. over 2.5 ft. while 90 ft. east of that again older drilling gave 0.12 oz. over 5 ft. Two other holes showed similar values over narrower widths.

The property consists of 21 claims, now held by East Bay Gold Ltd. It is understood that a new financing agreement was recently concluded and that the company is starting in immediately on a program of diamond drilling with at least 5,000 ft. be completed.

* * *

Mosher and Newlund Area

Mosher Long Lac is considering exploring its 11 unpatented claims lying to the east of Newlund in Canada's newest mining camp. Details and method of handling this are not yet known but President Murdock Mosher states that a company may be incorporated to acquire the claims.

Mosher owns nearly 370,000 Newlund shares.

On Mosher's Little Long Lac property, negotiations with MacLeod - Cockshutt to explore Mosher ground from MacLeod's adjoining workings have been undertaken but resulted in the impossibility of reaching an exploration arrangement without optioning Mosher's properties to MacLeod-Cockshutt.

As an alternative, cost estimates have been made for a plan involving shaft sinking to 1,500 ft. and exploration solely from the Mosher property. This, however, would involve heavy expenditures, notes Mr. Mosher, and ample time should be taken before committing the company to any major financing plan.

Akaitcho Plans Rights' Offer Takes Steps to Sink a Shaft

Shareholders of Akaitcho Yellowknife Gold Mines are scheduled to meet May 29 to approve an increase in authorized capital from three to four million shares. If the increase is approved, shareholders of record June 1 will receive rights to purchase one share for each ten held, at $1 a share. Those excercising this right will be entitled to buy a similar number of shares at $1.40 each until Dec. 1, 1950.

As soon as preliminary work is completed, shaft sinking and underground work is planned. Already, instructions have been given to proceed with erection of the headframe, procuring of the necessary plant facilities and construction of a two-mile transmission line from the nearest substation of the Northwest Territories Power Commission.

Current objective of the company is to build up as big an ore picture as possible before deciding on production plans. In the course of the program, a probe will be made for possible depth extensions of the Giant Yellowknife structures.

POLARIS OIL CO. reports that, by agreement dated May 9, Wills Bickle & Co. and Doherty Roadhouse & Co. have underwritten 10,000 shares at $3.00 a share and have optioned 190,000 shares at from $3.00 to $3.75 a share. Issued capital is 260,000 shares, leaving 740,000 in the treasury.

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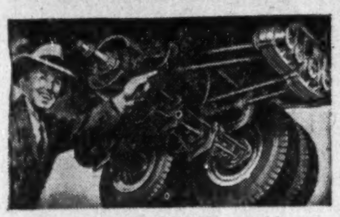

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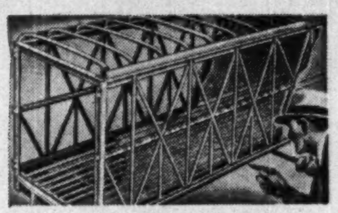

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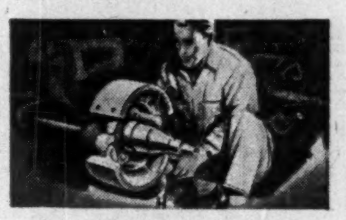

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FRANCOEUR GOLD MINES' annual report states that no operations have been carried out on its property since mining and milling were suspended on March 31, 1947. Ore reserve position remains at over 100,000 tons grading 0.20 oz. gold per ton. Re-opening the property, states President C. H. D. MacAlpine, will depend on securing sufficient funds to carry out an extensive exploration and development program. There is every reason to believe that such a program will place sufficient ore in sight to maintain a 350-ton mill, he declares.

GOVERNMENT OF CANADA

$745,000,000

1950 REFUNDING LOAN

The Bank of Canada is authorized by the Minister of Finance to receive subscriptions for a loan, to be issued for cash and offered in two maturities as follows:

4 year 6 month	18 year
2% BONDS	2¾% BONDS
DUE 15th DECEMBER, 1954	DUE 15th JUNE, 1968
Non-callable to maturity	Callable on or after 15th June, 1967
Denominations	Denominations
$1,000, $5,000, $25,000 and $100,000	$500, $1,000, $5,000, $25,000 and $100,000
ISSUE PRICE: 99.80%	ISSUE PRICE: 99.50%
Yielding about 2.05% to maturity	Yielding about 2.79% to maturity
DELIVERY: On or about 15th June, 1950	DELIVERY: On or about 15th June, 1950

Dated and bearing interest from
15th June, 1950
Interest payable 15th June and December

Principal and interest payable in lawful money of Canada. Principal payable at any agency of Bank of Canada. Interest payable at any branch in Canada of any chartered bank without charge.

Bonds may be registered as to principal or as to principal and interest.

Subscriptions may be made to Bank of Canada, Ottawa, through any investment dealer eligible to act as a primary distributor or through any bank in Canada.

The proceeds of this Loan will be used by the Government for the redemption of funded debt which has been called for payment on 1st and 15th June, 1950 in the amount of $744,969,592.50.

The Minister of Finance reserves the right to accept or reject in whole or in part any subscriptions for either maturity or both.

The books of the Loan will open on 18th May, 1950 and will close in either maturity or both with or without notice at the discretion of the Minister of Finance.

OTTAWA, 15TH MAY, 1950.

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East Malartic Clicking in Barnat Zone Second Quarter Proving Good One

By GORDON M. GRANT

Excellent encouragement is being met by East Malartic Mines in its recently commenced drill program for testing the indicated extension of the rich Barnat zone on East ground.

Not enough holes have been put in as yet to make any estimates of tonnage or average grade but initial drilling has demonstrated gold values and it is quite possible that coming weeks will outline a rather pleasing ore picture.

A drive is now being extended northward from the East Malartic workings at the 875-ft. level and is about 450 ft. from its objective. A round or 6 ft. a day of progress is being made with this heading.

Encouraging results are being secured in depth work in the main mine area, it is reliably stated, and it will not be surprising if further ore news should be forthcoming from this section before long.

Tonnage, Grade Rise

Operating results continue to show improvement with the best results being achieved of any time in recent years.

Mill tonnage, ore grade and profits are all showing increases. Unit operating costs are moving lower.

From results for the first half of the second quarter, indications are that the June quarter will be the best in some years—considerably better than the first quarter. In the first quarter, the company reported an output of $632,078 from 96,843 tons of ore for an average recovery of $6.53 a ton and an average daily milling rate of 1,076 tons daily. This represented a major increase over the $389,184 from 71,732 tons for an average recovery of $5.43 a ton and 797 tons daily in the initial quarter of 1949.

Profits being realized are now permitting reduction of the bank loan which stood at $280,000 at the end of 1949.

Intersection of gold values in the East Malartic section of the Barnat zone is of great potential significance to the entire Malartic camp. Barnat has 2½ miles of strike length on its property and the big space between the Barnat National section workings and East Malartic must now be regarded as "hot" prospecting ground.

To the northwest of Barnat, East Amphi has been watching results of the East Malartic geophysical and drill program with the idea that similar work would be carried out on its property, should E. M. prove successful. The East Amphi people, in underground work a few years ago, were successful in developing ore in diorite formation in what was apparently the westerly extension of the same structure in which Barnat has been opening its prolific new ore structures.

No final decisions have been made as to an East Amphi program but the situation is being actively discussed and it is expected new financing may be concluded shortly and work resumed.

To the east of East Malartic, Rand Malartic takes on greater interest as a result of disclosures in the new E. M. north zone. If work programs extend from East Amphi to the west to Rand Malartic to the west, a strike length many miles in length will be embraced.

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Further $337,000 Cash Sparks Lunward Area Work

Over $337,000 of further capital has been made available this past week for testing of the ore potential of the Lunward area, $250,000 of it for Newlund Mines whose results have sparked the whole area, and over $87,000 for Windward Gold Mines which will shortly undertake a test of the westerly extension of the Newlund ore structure.

With fine results secured in Newlund underground work, Prospectors Airways and associates are exercising their option on 500,000 shares at 50 cents a share, providing a further $250,000 and making a total of $450,000 supplied the operation to date.

The Windward ground immediately to the west of Lunward showed good structure, and some gold values in previous work, one drill hole not far west of the Newlund line returning 1.3 oz. gold over 4 ft. The financing group (Prospectors Airways, Noranda, Anglo-Huronian, Conwest Exploration Co. and a number of individuals) are putting $87,498 in the Windward treasury through the purchase of 62,493 treasury shares at 20 cents a share and 300,000 shares at 25 cents a share. Diamond drill exploration will likely be the first step in the development plans but details of the program have not yet been finalized.

Newlund Working West

At the Newlund 200-ft. level, drifting west along the footwall of the granodiorite dike has proceeded 148 ft. west of 104 crosscut with encouraging values as far as sampled. The 104 crosscut ran 0.593 oz. uncut and 0.295 oz. cut over 38 ft., as reported previously, and muck samples are now stated to average 0.33 oz. Holes drilled east and west along strike showed structure and gold values to persist to the end of these holes 150 and 160 ft. east and west respectively.

A crosscut driven south at a point 80 ft. west of 104 crosscut has intersected 37 ft. of similar structure with visible gold in evidence for the first 20 ft. Another crosscut is being driven south from a point 80 ft. farther to the west again.

A crosscut is also being driven south from a point 80 ft. east of 104 crosscut and has now entered the dike which at this point was 15 ft. south of the drift. Visible gold was showing in the first round after the contact was reached. Only low gold values were indicated in a crosscut 190 ft. east of 104 crosscut.

Ore indications are reported in work at the extreme east of the mine. The face is now 630 ft. east of the shaft. A flat underground drill hole has cut mineralization showing visible gold and lead telluride 60 ft. east of the drift face. A section from this hole assayed 0.26 oz. over 29 ft. Due to the angle at which this particular hole was put out from the drift, it appears that the hole was "running with the ore" and that 29 ft. would not represent a true width. From knowledge of the structure, there is a good chance that the drift may enter ore ahead of where it was reached in the drill hole. Surface drilling in this section gave a number of encouraging sections and there are good chances of opening a sizeable ore section in this direction.

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Pan Western Drills Fifth

Pan Western Oils is now drilling its fifth well on a productive 200-acre Imperial Oil farmout in the Leduc area. The section has already yielded the company four D2 producers and this fifth try is stated to appear "likely to succeed."

Company interest in these wells is 100%, subject to a 12½% royalty and oil payment to Imperial of 8,000 bbl. from each D2 well, payable from 10% of gross product.

Other company properties and development plans are as follows: with Long Island Petroleums and Fred Manning, a 40,000-acre reservation in Alberta has been acquired on which work is expected to start this summer; a "sizeable program" is being arranged for 500,000 acres in Saskatchewan, held jointly with Long Island Petroleums; about 250,000 acres in Saskatchewan are being explored by Royalite Oil Co. under an agreement made with it in 1949; on Crown leases involving 880 acres in the West Edmonton area, held jointly with Royalite, "oil is known to be present."

ROYBAR URANIUM & GOLD MINES advises that 100,000 shares have been sold to D. W. Gordon in trust at 10c a share. Upon issue of these shares, issued capital will be 3,458,005 shares, leaving 41,995 in the treasury.

McLELLAN GOLD MINES has received payment for May 6 installment of 50,000 shares at 10c a share, under agreement with Romaine Management Ltd. Issued capital is 2,630,007 shares, leaving 369,993 in treasury.

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**A nation-wide survey of the tire customers of B.F. Goodrich dealers from coast to coast shows—that 3 out of 5 B.F. Goodrich tire buyers switched from some other brand.*

Why did they switch?

Fleet owners can tell you why they switched . . . because B.F. Goodrich tires stand up under all driving conditions . . . *help keep operating costs DOWN.* Motorists in other walks of life switched to B.F. Goodrich for greater mileage, extra safety, easier riding . . . for superior performance assured by B.F.G. research and manufacturing skill.

Cooler-running, longer-wearing rubber compounds . . . superior tread and body design, have come from B.F. Goodrich research. They are good reasons why B.F.G. offers you most for your money.

There's a friendly B.F.G. tire dealer near you. He's one of the B.F. Goodrich family of 5,000 trained tire specialists who will help keep your tires in first class condition, the year 'round.

Ask him to show you the new B.F.G. Silvertowns and the famous Seal-o-matic safety tubes that seal punctures instantly . . . permanently, *as you ride!*

See him today!

LOOK FOR THE PENTAGONAL SIGN
that identifies your friendly B.F. Goodrich Dealer

Manufacturers, Too, Choose B.F. Goodrich
If your new car, truck or tractor is equipped with B.F. Goodrich tires, take advantage of your dealer's free tire inspection service for long, trouble-free mileage.

Makers of Tires • Batteries • Automotive Accessories • Rubber Footwear • Industrial Rubber Products and Koroseal

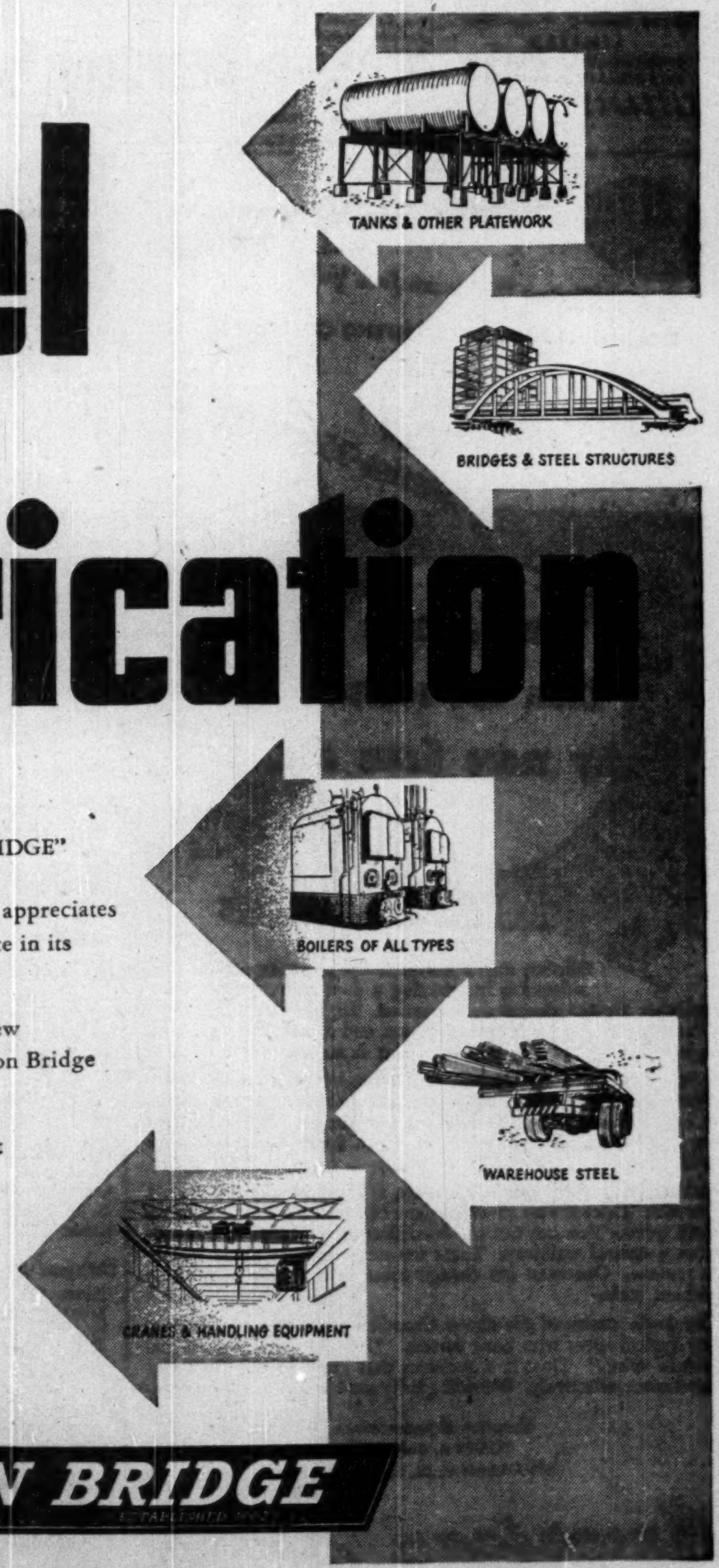
5-3A

Garnet Ups Capital Gets Redwater Slice

At a meeting this week, shareholders of Garnet Oils approved an increase in the capitalization of the company from 287,500 to three million shares. At the same time, an underwriting and option agreement involving 1,250,000 shares was entered into with George R. Gardiner Ltd. and Walwyn, Fisher & Co.

Garnet already has a 20% interest in four Redwater wells drilled by one of the Pacific Pete groups. It recently acquired a 10% interest in 360 acres purchased by a Pacific group in the Alberta Crown lease sale of May 11. This acreage lies in the Simmons sector of the Redwater field, close to proven oil land.

Steel
Fabrication



1950 again sees the familiar sign "STEEL WORK BY DOMINION BRIDGE" on many important construction sites across Canada. It is a sign that industry appreciates the Dominion Bridge tradition of service in its many fields of activity.

The products shown here represent a few of the many items produced in Dominion Bridge plants throughout Canada.

Write for interesting illustrated booklet "Builders in Steel" describing the Dominion Bridge organization.

DOMINION BRIDGE

PLANTS AT: VANCOUVER • CALGARY • WINNIPEG • TORONTO • OTTAWA • MONTREAL
ASSOCIATE COMPANIES AT: EDMONTON • SAULT STE. MARIE • QUEBEC • AMHERST

NEIGHBOURS in ENTERPRISE

The Company, its employees and management officials are enterprising neighbours in an industrial town like Lachute, Que. It makes a homely, interesting story in the talking colour film produced for Ayers Limited.

GOOD NEIGHBOUR ...
enterprising neighbour ... the modern concept of the industrial corporation. As a good neighbour, management chats with other members of the community, so they understand the philosophy which dictates its enterprise. Thus is woven the public and industrial relations story told by "Neighbours in Enterprise."

Discuss film production and distribution, first, with an Associated Screen News representative.

FILMS AVAILABLE FROM COAST TO COAST
Two Ayers films are available to Boards of Trade, Service Clubs, schools and church groups everywhere in Canada, through regional libraries of Benograph Division, Associated Screen News Ltd. "Neighbours in Enterprise" and "Canadian Woollens for Warmth and Beauty" are examples of practical industrial films ... distributed under budget control.

You may arrange a special showing *before members of your management group, to discuss the motion picture as a major tool in the public relations programme. To see "Neighbours in Enterprise," contact the nearest office of*

Associated Screen News
LIMITED
2000 Northcliffe, Montreal, Que.
100 Adelaide W., Toronto, Ont.

What's New

Manufacturers of products which are either completely new or are being made in Canada for the first time are invited to contribute to this column. Describe the product, state its purpose, outline in what respect it is new, and indicate its significance to its field.

Enquiries concerning items in this column should mention the heading to the item, and the date of issue in order to ensure prompt reply.

For Bed Smokers

New device to eliminate fire hazard of cigarette smoking works on similar principle to miner's lamp. Mesh tubing protects burning cigarette, takes off heat while keeping below "flash point." Said to prevent cloth, paper, etc., from igniting if cigarette comes in contact with them. Maker recommends for hospitalized persons, outdoor sportswear, smoking in open car, etc.

* * *

Time Study Machine

New machine eliminates time study man for many computations. Dials can be set by anyone able to run adding machine, says New York maker. "Time Study Computer" automatically works out production program, adds up loading, running time of factory machines, figures waiting time for operators, machines, is claim. Said to "simulate" working day of up to 10 factory tools at once within 8 min. To handle any factory machine for grinding, milling or drilling with automatic operation cycle. Dials are set from work slips.

* * *

Fish Turn on Light

"Fish-O-Matic" one-cell flashlight bulb device attaches to fishing rod, flashes when tug comes on line. After light flashes, line — which has been slipped through special clip preparatory to casting — comes free so fisherman can battle with fish.

* * *

Better Mouse Trap?

Mouse catching device by Electronic Rat Traps Co. features pads covered with harmless, odorless pitch, says firm. Pitch lures mice, which get stuck to gummy material.

* * *

Closet Heating System

New "Blend-Air" forced warm air heating and ventilating system said to save money by eliminating concentration of hot air near ceiling. Changes air in room every 7½ min., has individual mixing chambers instead of usual registers; Furnace occupies five sq. ft., fits in utility room, closet if necessary, says company. Burns gas or oil. Minimum construction changes when installing in old homes, comes factory prefabricated with 3½ in. ducts to fit in walls of house. Blenders operated by rising hot air.

* * *

Black Snaps in Flash

That Polaroid Land camera that produces a positive picture within a minute after exposure of the film now will be available for black and white prints. Previously turned out sepia prints. Gives semigloss finish, of same permanence as ordinary photographs, says inventor.

* * *

Records Particles

How muddy is the drinking water? New photoelectric turbidimeter automatically both measures, records amount of suspended particles in liquid. Said big aid to controlling processes at water treatment plants, sewage, chemical, paper, bottling plants.

* * *

Giant TV Tube

General Electric in U. S. announces new television tube to produce picture 24 in. x 18 in. Company expects sets using tube to be on sale by end of year, production of tubes beginning in fall. Same size pictures now possible, but with use of magnifying lenses, says company, claiming better detail and brilliance with new tube. New tube uses dark face plate, aluminum-backed fluorescent screen.

* * *

Baby Refrigerator

Small household refrigerator provided with "special Universal unit, i.e. for combined operation by either electricity, gas, kerosene," says Swiss maker. Of 1¼ cu. ft. capacity, inside measurements are 14 in. x 14 in. x 11 in.; tray holds 15 ice-cubes; available for operation up to 250 volts; adjusts to 40, 60 and 80 watts; made of sheet steel; uses latest improvements of absorption refrigeration; noiseless; no radio interference, says firm.

* * *

For Rough Radiators

Specially for exacting use in trucks, buses, etc., new "Rub-Bub" radiator hose is said so flexible it can be installed with ease in tightest places, says maker. Of alternate layers of neoprene rubber and heavy fabric, hose has high-bursting strength, resistance to heat, cleaning and anti-freeze solutions, grease, oil, claims Ohio firm. In 19 sizes, from ¾ in to 3½ in.

* * *

Special Boiler

New "Speedytherm" boiler uses special liquid instead of water for steam making. Liquid has higher boiling point than water, vapor temperature at any point much above saturated water steam, but otherwise performs similarly to water, circulates through ordinary piping, states maker, who recommends for heating platens, molds, jacketed kettles, autoclaves where working pressure must be low.

* * *

Car Shine

New "Autobrite" automobile polish is claimed easier to apply, said to give car shine lasting six months or more, unaffected by air, sunshine. Won't water-spot, U. S. maker says. Contains silicones.

* * *

Gauges Bearings

Saves assembly time in ball-bearing manufacture, practically cuts out rebuilding, says maker new gauge for bearing races. Efficiency of ball bearing depends on amount of friction between parts, amount of radial play. So "Selectionaire" measures size ball needed to fit between races, or tells size inner race needed if outer race size, ball size known.

* * *

Weedicide Fertilizes

New fertilizer put on land in spring first kills off weeds, then stimulates growth of crop, according to Pennsylvania State scientists. If applied at right time, calcium cyanamid effectively controls broadleafed weeds. Also releases nitrogen, benefiting asparagus, sweet corn, other crops, says chairman Pennsylvania Agricultural Experiment Station Weed Control Committee. About 600 to 800 lb. to acre needed; effectiveness retarded by dry weather, expert says. Tried on 1,200 weed-control plots. Some weed killers leave toxic residues in soil, hurt in later crops.

MACDONALD MINES, from January to August 1949, received $32,986 from 73,000 shares sold on the open market. By agreement dated June 28, 1949, 75,000 shares were issued to Harlan H. Bradt for services rendered and another 10,000 shares are still to be allotted. A total of 25,000 shares were issued to the company's solicitors for legal services. There are now 3,612,953 shares issued, leaving 387,047 in the treasury.

H. DOUGLAS COO

has been appointed Manager for Canada of the Hartford Fire Insurance Company group, succeeding B. W. Ballard, who has retired after more than 39 years' service and Manager for Canada since 1932. Mr. Coo joined the Hartford in 1942 as Assistant Manager and in 1946 was promoted to the position of Associate Manager. Mr. Coo received his early insurance experience in Montreal, and in 1936 joined the Canadian Underwriters' Association in Toronto.

BEAVER POWER TOOLS
Thompson Products
Standard Electric and Auto Parts
DOMINION FORGE & STAMPING CO. LIMITED
TAYLOR-FORBES LIMITED
The Canadian Fairbanks-Morse Company Limited
Beach Stoves and Furnaces

There's more than one reason why more firms choose DUSTUBE collectors

Efficient dust removal is the most important consideration in selecting a dust collector, but there are other factors almost as important. High efficiency is often accompanied by a high operating cost and a collector with both high efficiency and low operating cost is an exception.

Dustube is better both ways. Its cloth-tube filters trap all dry dusts with nearly 100% efficiency; and its simple design results in lower power costs. Tests show that discharged air contains less than 10 million particles per cu. ft. from 2 to 10 microns in size.

Maintenance, which can be so costly, is exceptionally low with a Dustube. There are no abrading parts to damage the long-wearing cloth tubes. You can tell the condition of the tubes at a glance from a central walkway. There are no screens or metal frames to remove. One man can change tubes in a matter of minutes without tools.

The trade marks of the above Canadian firms represent only a few typical users who have found: "Dustube collectors are the feature value." Dust is a problem that Dustube will help you solve more effectively. We will gladly send you full information.

Canadian Representative:
ROBERT A. CAMPBELL
106 Adelaide St. W., Toronto, Ont.

American WHEELABRATOR & EQUIPMENT CORP.
793 S. Byrkit St., Mishawaka 22, Ind.
OFFICES IN PRINCIPAL CITIES

dustube COLLECTORS

always worth the protection of safety glass...

All cars manufactured in Canada are equipped with safety glass. It is used to protect driver and passenger alike. *Should you have to replace a damaged window— insist on Safety Glass by Duplate.*

There are many types, thicknesses and strengths of Safety Glass by Duplate. Each one has been developed to provide the necessary safety and clear vision for its particular purpose. Duplate engineers are at your service to provide suggestions and data on the many uses of Safety Glass by Duplate.

SAFETY GLASS by DUPLATE

DUPLATE CANADA LIMITED General Sales Office: 1200 Bay Street, Toronto. Plants: Oshawa and Windsor, Ontario. MANUFACTURERS OF DUPLATE, DUOLITE, HERCULITE, ARMOURPLATE, ARMOURLITE, TUFLEX

HERE'S 1950's STAND-OUT CAR IN THE LOWEST PRICE FIELD

The Studebaker Champion is one of Canada's lowest price full-size cars!

AS SHOWN
STUDEBAKER CHAMPION 6-PASSENGER, 2-DOOR CUSTOM SEDAN
$1977.64
DELIVERED IN HAMILTON
Provincial and local taxes, if any, extra
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Comparably low prices on other Studebaker Champion Custom models: 4-door sedan, 5-pass. Starlight coupe.
Prices subject to change without notice

Look what you get in this Studebaker Champion

A car that's 1950 in design as well as in name • A car that beat all others in gas mileage in this year's Mobilgas Grand Canyon Economy Run • An exceptionally roomy car superbly appointed and richly upholstered • A brand-new kind of coil spring front end suspension that gives you Studebaker's famous "miracle ride" • Exclusive Studebaker brakes that automatically adjust themselves • Automatic choke • Glare-proof "black light" dash dials • Variable ratio "extra leverage" steering • Tight-gripping rotary door latches • Capacious trunk • A full range of body types and colors • A long lasting car, built solidly and soundly by master Canadian craftsmen.

SEE YOUR NEARBY STUDEBAKER DEALER